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# ACCOUNTANCY BOOKS

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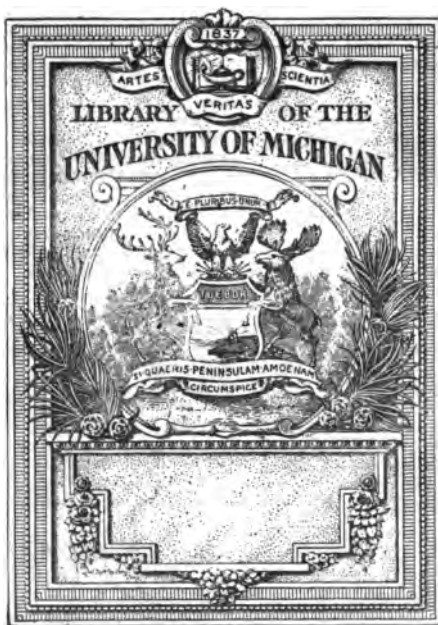
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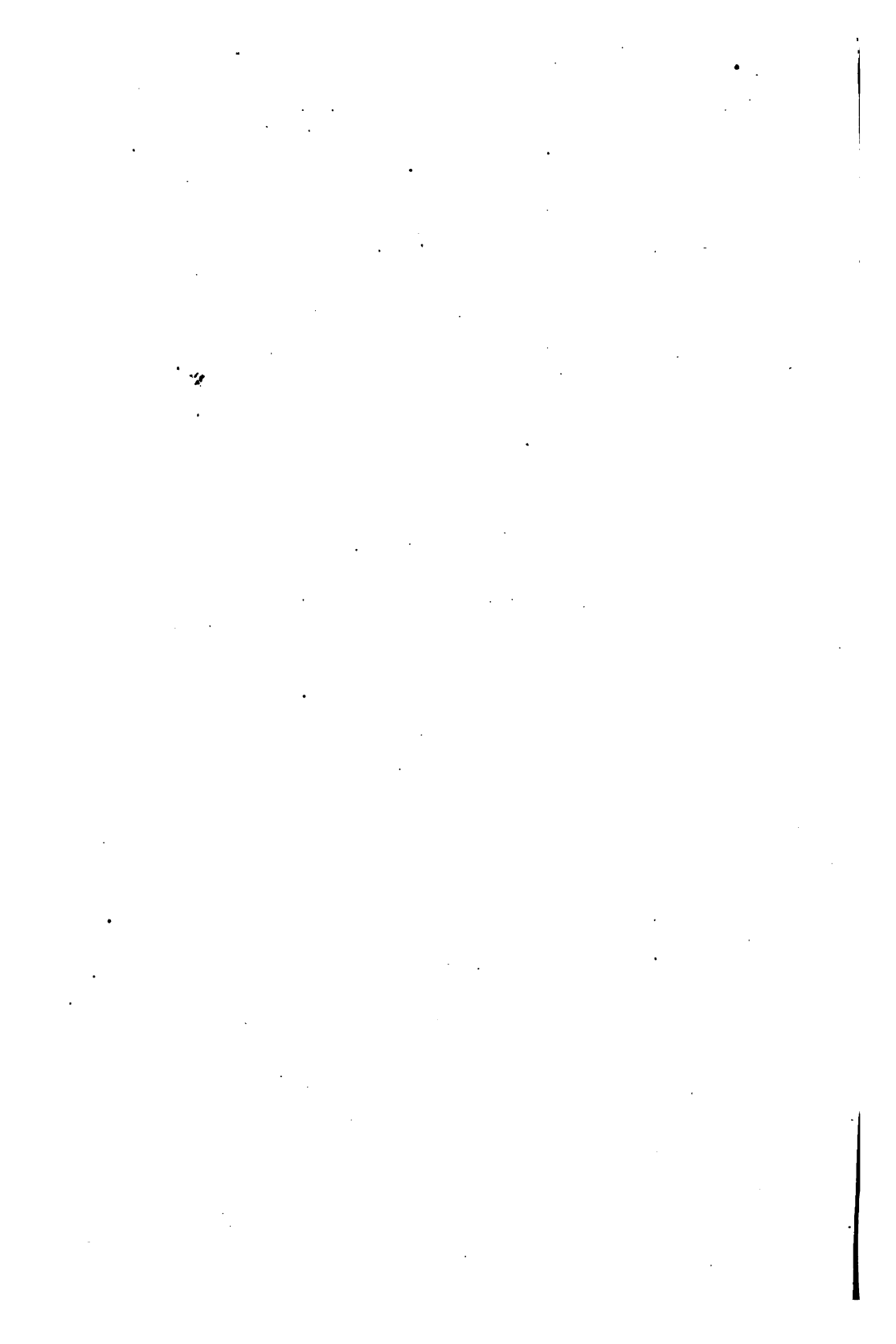
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# **PUBLISHERS' ACCOUNTS**

**BY**

**CLARENCE E. ALLEN.**



# PUBLISHERS' ACCOUNTS

INCLUDING A

CONSIDERATION OF COPYRIGHT,

AND THE

VALUATION OF LITERARY PROPERTY.

BY

CLARENCE E. ALLEN

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LONDON :

PRINTED AND PUBLISHED BY GEE & Co.,

34 MOORGATE STREET, E.C.

1897.



## PREFACE.

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THE general inadequacy of the systems of accounts in use by many publishers to meet the exigencies of the business has induced the author to undertake the following small work in the hope that some hints will be gathered therefrom which may be conducive to the establishment of a thoroughgoing system.

In no business more than the one in question does the necessity exist of maintaining a proper record of transactions, and, moreover, one which must possess at the same time the qualities of efficiency of detail involving only a minimum of labour.

And yet, to my own personal knowledge, some of the firms never even balance their books at all, and the inaccuracy of some of the results obtained has only been exceeded by their extreme and manifest absurdity.

The fact that the interests of the author are closely involved with those of the publisher and that the accounts rendered by the latter are to be accepted with confidence and good faith by the former, adds further to the necessity of accurate and adequate bookkeeping.

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Although the experiment of attempting to combine in one and the same person the functions of both author and publisher has signally failed ; it is not too much to presume that authors themselves feel not a little interested in the commercial aspect of publishing, especially in regard to the manner in which the books of publishers should be kept.

Those salient features to which the special attention of accountants will be chiefly directed, such as the valuation of Copyright, the Publication Account, Agreements, &c., have been particularly emphasised and treated very fully.

An elementary knowledge of the general principles of double entry has been presupposed ; hence, in the illustrations I have been enabled to dispense with numerous details that are common to all business.

The technicalities involved in publishing render some experience necessary for the thorough mastery of the accounts, but even to those not possessing this I trust this book will be of some assistance.

C. E. ALLEN.

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# PUBLISHERS' ACCOUNTS

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## PART I.

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NATURE OF THE BUSINESS—METHOD AND ORGANISATION OF THE BOOK  
TRADE—BOOKS—ROUTINE—ACCOUNTS—STOCKTAKING—BALANCING.

---

THE publishing business is essentially one of ramifications and intricacies, inasmuch as it combines the transactions of wholesale purchaser, producer, and seller. Furthermore, a peculiarity is added by the intangible nature of the property dealt in, namely, copyright. This, while possessing the essential qualities of a property, *i.e.*, it can be bought, sold, or assigned, is simply a right which consists in the multiplication and production of copies of any written article or book.

It depends for its value, not altogether on any intrinsic quality, but on the considerations of the public taste, the author's reputation, and the absence or presence of any competitor. In many cases it becomes a monopoly, and in proportion as it approaches this, provided that no other circumstances exist to affect it, its value is enhanced. The business—at any rate, as far as English publishers are con-

cerned—is further complicated by the vexed question of the numerous discounts allowed to the book trade, the conditions and methods of which are in a state of an almost hopeless muddle.

The initial difficulty began when a certain enterprising bookseller offered his books for public sale at 25 per cent. under the published price, contenting himself with the small margin remaining. The practice grew, and has now become compulsory, with such serious consequences to the smaller country booksellers, as the bankruptcy returns of the past ten years will amply indicate. This competitive movement has in turn affected publishers, who have, in the majority of instances, been forced to offer, in the case of a large proportion of stock, additional discounts, and even half-price terms, to the bookseller. A re-organisation is consequently much needed, and in this connection a few hints might well be taken from our neighbours, the Germans, whose trade methods remain in principle what they have long been, and with very satisfactory results.

The two considerations which form the basis of their trade are the fixed selling price, and the right of the retailer to return unsold books. The first, in conjunction with the allowance of very long credits, has given a powerful impetus to the growth of retailers everywhere, and it has been computed that at the present time one bookseller exists for every

5,000 inhabitants. Hence this means a small advertising bill for the publisher, as all new works are sent out on sale, in conjunction with a number of inexpensive circulars, which latter afford the means of a connection between a bookseller and his customers. The retailer follows this up by further circulating the *book itself* amongst likely purchasers, by which means they become better known than through any amount of advertising. Accounts are settled once a year, and discounts are fixed according to the nature of the work, varying from 25 per cent. on scientific to 40 per cent. on juvenile works. To get rid of a scientific work in this country is, in numerous instances, as bad as flogging a dead horse, and the enormous number sold in Germany is too well known to need remark. It is accounted for by the fact that the most of the retailers are moderately intelligent.

The selling price, viz., 5 per cent. for cash, is rigidly maintained by an organisation of the trade which regulates the dealings *inter se* and with the public. When English publishers will unbend and a joint institution is formed consisting of representative publishers and booksellers, some definite settlement may be looked for.\*

The publisher stands in a fourfold relation, viz., to author,

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\* At the time of going to press a proposition has been made to the effect that all booksellers who refuse to conform to the decision of a joint committee and sell to the public at a price fixed by the committee should be boycotted. This view of the case may lead to a probable settlement.

producer, bookseller, and public; and whatever qualities must be possessed by him in the way of an accurate discernment of public taste and literary judgment, his business abilities must be equally paramount.

His transactions consist in :—

1. Dealings with authors and artists.
2. Buying and selling goods on credit and for cash.
3. Returning disapproved goods.
4. Receiving disapproved goods.
5. Cash and bill transactions.
6. Advertising.

To record these transactions effectively, a thorough-going system of bookkeeping is necessary, which should possess the quality of efficiency of detail, involving at the same time only a minimum of labour. Unfortunately for publishers, however, their reputation in regard to accounts is not one of the best, and nothing really uniform will be found to exist in the systems adopted by them. The use of makeshift accounts is excessively detrimental to this particular business on account of the peculiarities pointed out above, and is generally recognised when it is too late.

The present system which is in existence in some of the leading firms will be found to be capable of meeting all the requirements of the business, the difficulty respecting the

treatment of copyright being adequately met by the Publication Account and the Copyright Ledgers. Where these have been adopted, the accurate determination of the state of affairs has been facilitated in a wonderful degree, rendering obsolete the old-fashioned valuation sheets with their inseparable accompaniment of so much wasted time and trouble, and those members of the profession who have had an opportunity of testing their operation have commended them in the highest terms. The Copyright Ledgers, together with the Publication and Trading Accounts, form the groundwork of the system, to which all the subsidiary books and accounts are tributary, this unique arrangement being the result of a careful examination and comparison, founded on an accurate knowledge of the business.

It is unnecessary to point out the inadequacy of the single-entry method to record and methodise the transactions of any complex business, hence nothing more will be said of this except to mention that this system is only adapted for the retail business of bookselling.

To record the affairs of a publisher the following are the books in general use or are recommended:—

Day Books.	Miscellaneous Publication Book.
Cash Book.	Paper and Printing Book.
Invoice Book.	Advertising Book.
Bill Book.	Stock Book.

Journal.	Cuttings Book.	
Trade Ledgers.	Cash Sales Book.	
Private Ledger.	Counterfoil Book for Cash Sales.	
Authors' Ledger.	Printing, Binding	} Order Books.
Petty Ledger.	Paper and Advertising	
Copyright Ledger.	Petty Cash Book.	

### *Day Books.*

The ordinary ruling with double cash columns is usually adopted, and the books are conveniently divided into sets, one to be used on alternate days by the bookkeeper while the other is being written up from invoices. The discounts attached to the several items are conspicuously marked in red ink, to catch the eye when posting. It is the general custom to total and agree Day Books once a month.

### *Cash Book*

is generally in the triple form, consisting of three money columns for cash at bank, office, and discount respectively. Where payments are only made by cheque, the second, of course, is dispensed with.

### *Journal.*

This, as in most other businesses, is a most important book, ranking, in fact, with the Ledgers themselves, and whatever value the current controversy respecting its retention may

have for some trades, its value to the publisher is of the highest degree. Its various uses may be briefly mentioned:—

1. As a medium for entries which cannot be passed through Day, Bill or Cash Book, such as opening capital, closing, profit and loss, cancellation, transfer and *copyright* entries.
2. As a medium for the generalisation of a body of details to facilitate the posting of the Ledger and to save time.
3. To serve as a check on all work done, and last, but not least, to ensure absolutely accurate results.

The practice adopted on the Continent of posting every item through the Journal, however, is not recommended, as a body of the trade details of buying and selling are more conveniently assigned to other mediums. Eliminating these, however, there are in the publishing business a large number of transactions which call the book into daily requisition and justify its use, apart from the valuable check afforded on Ledger entries.

#### *Invoice Book.*

A few firms adopt the practice of posting directly from invoices or an Invoice Guard Book; but, as they are very numerous in the business in question, and to prevent their being damaged or lost, the following form of Invoice Book is adopted:—

## PUBLISHERS' ACCOUNTS.

## INVOICE BOOK.

1

Date	From whom bought	No.	Trading Account	Publication Account	Paper	Advertising	Charges, General	Binding Blocks	Total	Leaf No.
1870			£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	
Apr. 1	Grosvenor Chater	20	..	..	50 0 0	..	..	..	50 0 0	20
" 2	Smith Bros.	21	..	86 0 0	..	..	..	2 0 0	88 0 0	31
" 6	Butler & Tanner..	22	..	40 0 0	..	..	4 0 0	..	44 0 0	19
" 7	Macmillan	23	100 0 0	..	..	..	..	..	100 0 0	42
" 8	Saturday Review	..	..	..	..	10 10 0	..	..	10 10 0	98
	Journal ref. 1. 642	..	£100 0 0	£126 0 0	£50 0 0	£10 10 0	£4 0 0	£2 0 0	£292 10 0	

The classification of the columns are regulated by the more important Bought Ledger Accounts, and are extended in a large concern to admit of further details, such as, for instance, where no Advertising Book is kept, the subdivision of advertising into:—

Advertisements in Own Publications.

Periodical Advertising.

Postal Advertising.

In the case where a magazine is being published in addition to other books, separate columns are reserved for its exclusive expenses.

*Trade Ledgers.*

There is nothing in particular to remark about these except that, on the debit side, two or even three cash columns are conveniently used for the various discounts, and at the balancing periods the Ledger is then ruled off as in the following example:—

Terms: 3 months, 10 %.  
JOHN MENZIES, Edinburgh.  
10 % net.

1890			£	s	d	£	s	d	1890			£	s	d
Apl. 1	To Goods	1	56	0	0	30	0	0	July 5	By Cash and discount				
" 2	" "	2	150	0	0	78	0	0		£20 12s.	6	314	0	0
" 5	" "	6	30	0	0	10	0	0	" 30	" Balance	..	40	0	0
			236	0	0	118	0	0						
						236	0	0						
						£354	0	0				£354	0	0
Aug. 1	To Balance	..	30	0	0	10	0	0						

*Authors' Ledger.*

This is reserved for recording work done by and payments due or made to or by authors, artists, etc. The accounts are generally satisfied by payments from the author, where the book is published at his expense and risk, until it becomes payable.

*Private Ledger*

contains such accounts as Capital, Interest and Discount, Trading and Publication Accounts, Profit and Loss, etc.

*Stock Books or Ledger.*

This, as its name implies, is a record of sales, stock, etc. Several forms of ruling are in use, but, for its essentials, it should contain in the first column the number of sheets, of a given publication, delivered from the printer, and wrappers (if any). The second column is reserved for the number given out to be bound, and the third the number of volumes delivered by the binder, the differences showing the imperfections. On the opposite page should appear a record of sales and consignments, the particulars being supplied by vouchers from the trade counter in the case of cash sales, or from the stockkeepers when copies are required for credit orders. A loose system extensively prevails, however, of ignoring this

function of a Stock Book, and relying merely on the differences at two successive stocktakings to ascertain the number disposed of. This cannot be too strongly deprecated, for in the interests of both author and publisher some sort of check should exist on all removals from stock.

*Miscellaneous Publication Book*

contains a record of all books sent for review, presentation, to author, public libraries, or that have been jobbed off, and the price. Another column records the number of the books out on sale. In making up the accounts of a given publication, all these items, with the exception of the number jobbed off, are deducted from the actual sales as shown by the Stock Book.

" ROBINSON CRUSOE."

On Sale	Gratis	Author	Reviews	Public Libraries	Jobbed off	Total
					£ s d	

*Paper and Printing Book.*

This contains all particulars respecting the size and number

of pages of a given book, together with details as to cost of composing, printing, pressing, and paper, &c. It is customary to enter up these items from the invoices before they are entered in the Invoice Book.

			£	s	d
" Robinson Crusoe."					
1st edition of 350 pp., crown 8vo.					
Messrs. Clowes & Son.					
Composition .....	sheets .....	pages .....	@ .....		
Corrections .....					
Casting .....	sheets of .....	pages @ .....			
Working .....	reams .....	@ .....			
Pressing .....	reams .....	@ .....			
Binding .....					
Sundries .....					
Paper .....	reams .....	@ .....			

*Petty Ledger.*

For retail items, which, in this business, are numerous.

*Copyright or Plant Ledger.*

Although, as before explained, these Ledgers are used by one or two of the leading firms only, their general adoption is strongly recommended, as their superiority over the old form of valuation sheets for retaining a permanent record of the worth of copyright, stereotypes, moulds, illustrations, &c., and for showing their current value, is inestimable ; and, moreover, at balancing periods, they save the trouble of going over the same process time after time.

A specimen ruling is given, and it will be noticed that the debit side is reserved for the prime cost and any *appreciation* of worth, while on the credit side are made the entries of sales of copyright, &c., and *depreciation*; the balance brought forward representing the current value of the book.

The data is supplied from the Journal, in a manner which will be subsequently explained.

2		COPYRIGHT						
Dr.		TITLE OF BOOK.						
Date		Fo.	Copy-right	Compo-sition	Moulds	Stereos	Illus-trations	Total
1870			£ s d	£ s d	£ s d	£ s d	£ s d	£ s d
April 1	To Sundries	J 460	100 0 0	40 0 0	5 0 0	8 0 0	20 0 0	173 0 0
June 30	„ Appreciation ..	490	20 0 0	..	..	..	5 0 0	25 0 0
			£120 0 0	£40 0 0	£5 0 0	£8 0 0	£25 0 0	£198 0 0
July 1	To Balance..	..	120 0 0	40 0 0	5 0 0	8 0 0	25 0 0	198 0 0
Aug. 1	„ Profit and Loss A/c.	J 201	30 0 0	..	..	..	3 0 0	33 0 0
			£150 0 0	£40 0 0	£5 0 0	£8 0 0	£28 0 0	£231 0 0

LEDGER.

Cr.

Date		Fo.	Copy-right	Compo-sition	Moulds	Stereos	Illus-trations	Total
1870			£ s d	£ s d	£ s d	£ s d	£ s d	£ s d
June 30	By Balance	..	120 0 0	40 0 0	5 0 0	8 0 0	25 0 0	198 0 0
			<u>£120 0 0</u>	<u>£40 0 0</u>	<u>£5 0 0</u>	<u>£8 0 0</u>	<u>£25 0 0</u>	<u>£198 0 0</u>
Aug. 1	By G. Bell & Son (for disposal of Plant)	J 201	150 0 0	40 0 0	5 0 0	8 0 0	28 0 0	231 0 0
			<u>£150 0 0</u>	<u>£40 0 0</u>	<u>£5 0 0</u>	<u>£8 0 0</u>	<u>£28 0 0</u>	<u>£231 0 0</u>

*Advertising Book.*

Where much advertising is done, columns in the Invoice Book will be found to be insufficient, a separate record becoming necessary. The appended ruling is the one in common use:—

## "ROBINSON CRUSOE."

1886		£ s d
Jan. 1	<i>The Times</i> .. ..	10 0 0
"	<i>Daily Telegraph</i> ..	5 0 0
"	<i>Saturday Review</i> ..	1 0 0
5	<i>Athenæum</i> .. ..	1 0 0
"	<i>Publishers' Circular</i> ..	1 0 0
Feb. 1	<i>Bookseller</i> .. ..	1 0 0

Voucher copies or cuttings of all advertisements are generally obtained and pasted up in a book reserved for the purpose, the cost and number of insertions being stated underneath. At balancing periods the space occupied by each book is calculated and apportioned to its respective account in the Advertisement Book or column:—

NEW NOVELS.			
"Seats of the Mighty" ..	6/-	15/-	
"This Mortal Coil" .. ..	3/6	15/-	
"Treasure Island" .. ..	6/-	15/-	
"Jude the Obscure" .. ..	6/-	15/-	
..... & Co., Publishers			

*Daily Telegraph*, Jan. 1 1886 .. £5

The total of the Advertising Book is journalised, Advertising Account being debited. The space occupied by authors' books in advertisements is also carried up to authors' debit through the Journal.

The other books in general use, such as the various Order Books, Cash Sales, and Petty Cash Book, call for no special remark; and the various accounts, together with their functions and application to the various operations met with in the publishing business, can now be considered. It will be advisable, however, at this stage, to briefly review the various transactions involved in the production of a book, these operations forming the productive part of the business as distinct from the trading. They are as follows :—

The arrangement with the author, being either :—

- (a) Assignment or sale of copyright to the publisher for an agreed amount.
- (b) Royalty to author on sales.
- (c) Half-profit arrangement.
- (d) One edition arrangement.
- (e) New edition arrangement.
- (f) Publication at author's expense and risk.

(a) Under this form of agreement the author agrees to write a book and assign all his rights in it to the publisher for an amount. The author's interest in the book ceases

unless new editions, involving additions or alterations, are contemplated. This method is generally adopted for such publications as prize, gift, and children's books.

(b) The author retains copyright in the book, the consideration or royalty being in respect of the exclusive privilege of publication, generally for a given period or a given number of editions.

When the question of a transfer of publisher arises, a consideration is paid by the new publisher for the stereos, when such exist, governed by the saleable value of the book. Other arrangements are generally regulated by the agreement.

(c) This arrangement is by far the most common one, as it admits of an equally fair remuneration to both parties concerned. The cost of production is first satisfied out of the sales, subsequent profits being equally divided between author and publisher. Ten per cent., however, is generally deducted by the latter as an indemnity against bad debts, &c.

(d) and (e) A sum paid for the privilege of publishing one edition of a book.

(f) The publisher undertakes the production and travelling of the book in consideration of a commission, the author paying all expenses. The commission is exacted on the Paper, Printing, Binding and Advertising Accounts, as well as on all sales, as the author is using the credit and reputation

of the firm in connection with producing, as well as in selling, the book. This form of agreement is usual in the case of scientific and philosophical works, with authors of small repute, or in cases where it is an even question as to the success of the book.

All liabilities of a publisher to an author are journalised and posted to the credit of the account in the Authors' Ledger.

Once the agreement has been concluded and the MSS. delivered, it is placed in the hands of the printer, the paper being simultaneously ordered. When the invoices are received, the particulars are recorded in the Paper and Printing and Invoice Books. The printer delivers usually a portion of the sheets to a binder, and the remainder to the publisher, such deliveries being checked and noted in the Stock Book. The cost of binding is recorded in the Invoice Book.

Orders for advertisements are then placed; gratis, review and library copies sent out, and the book is ready for sale.

The former are noted in the Advertisement Book, or advertisement column in the Invoice Book, and the presentations are entered in an account for the book opened in the Miscellaneous Publication Book. Orders, as they are received from customer or traveller, are booked out of stock, a voucher

being made out for entry in the Stock Book, while the invoices are recorded in the Day Book. Where any books are sent out on sale it is customary to pass the entry through the Day Book as a sale, marking it, however, O/S. A note is also made in the column provided for the purpose in the Miscellaneous Publication Book, so that the deficiency in the stock, when the time arrives for making up the account, may not be allowed for as a sale.

A General Consignment Account is usually opened for customers abroad or in the Colonies.

Returns, cases, &c., are generally noted in a book set apart for the purpose, or else passed through the Day Book in red ink.

This in brief is the *modus operandi* of the business, and the various transactions and arrangements having been entered up in the subsidiary books, the next question is that of the accounts in the Ledger which are rendered necessary in order that the record may be completed to sufficiently realise the end in view, namely, the determination of profit or loss, the value of the assets, and the amount of liabilities.

The two most important accounts, and to which both sides of the business converge, are the Publication and Trading Accounts.

The other books in general use needing no special remark,

such as Printing and Binding Order Books, Cash Sales Book, &c., the various accounts—their functions and application to the various operations met with in the publishing business—can now be dealt with.

*Publication Account.*

This account, which is usually opened in the Private Ledger, is, as its name implies, employed for the purpose of colligating all the particulars connected with the *actual publications of the firm* at their expense and risk. It should be debited with all charges and expenses incurred for:—

Copyright.  
 Editing.  
 Illustrations (artists' fees).  
 Composing.  
 Paper.  
 Printing.  
 Binding.  
 Moulding.  
 Stereotyping.  
 Electrotyping, &c.

With regard to the first three items, they are posted directly from the Journal by such an entry as for example:—

		<i>Dr.</i>			<i>Cr.</i>		
		£	s	d	£	s	d
1890							
Jan. 1	Publication Account .. ..	100	0	0			
	To A.B. .. ..				100	0	0
	For copyright of So-and-so, as per agreement.						

The item of paper will also be posted from a Journal entry transferring the amount from the Paper Account.

Example:—

		Dr.	Cr.
1890		£ s d	£ s d
Jan. 1	Publication Account .. ..	25 0 0	
	To Paper Account .. ..	..	25 0 0
	For .. reams quad-demy, 60lbs., used for ..... book.		

The remainder of the charges will have been gathered from the invoices and passed through the Invoice Book, under the column headed *Publication*, and as the totals only of the Invoice Book are journalised, there will be one comprehensive item embracing these charges for the month, quarter or half-year, according to the interval at which the Invoice Book is totalled. An example of such an entry:—

		Dr.	Cr.
Date		£ s d	£ s d
	Publication Account .. ..	2,000 0 0	
	To Sundries .. .. X	..	2,000 0 0
	For charges incurred during the month (or quarter, as the case may be) on account of publi- cation, the individual items having been posted to the credit of their respective accounts.		

Thus, at the end of a given period, say a year, there will exist as a total on the debit side of this account the whole amount expended on the production of new books. The credit side of the account should be used for any *contra* or

transfer entries that may become necessary owing to error or alteration.

On looking a little more carefully into these items under consideration, an obvious distinction becomes manifest, namely, that some items represent outlay in plant, while others affect only trading; in other words, while some will directly affect capital others will only affect profit and loss. Of the former will consist the items of:—

Copyright or editing.

Illustrations.

Composing.

Moulding.

Stereos and electros.

While of the latter will be :—

Paper.

Binding.

Machining.

The first set represent the publisher's capital or rights, the latter being mere absorptions of profit and loss. Their destinations are, therefore, obviously different; the first set must remain as a permanent record of capital outlay, the others must be assimilated by the Trading Account. In other words, there is no trading in respect of copyright,

plates, or illustrations, but only in the product of these things. A precisely analogous feature is offered by the consideration of machinery; the publication items really represent the *means* by which the book is produced, not the book itself. In determining the published price of a book, such items, of course, form the basis of the computation, but in the valuation of *sheet* stock at balancing periods the constituent items will be formed only of the cost of paper and machining, as the other outlay, in connection with the production, will be valued, not as stock, but plant. Too much attention cannot be paid to this distinction, as much confusion and invariably false valuations are met with where the attempt is made to subdivide the whole of the cost of production into the number of sheets to arrive at the stock value. The method, although very much in vogue, is very slipshod, and in the long run utterly unreliable.

This distinction having been established, as the individual books are published, the Publication Account must be relieved of the cost of paper, binding, and printing, and they must be debited by a Journal entry to the Trading Account thus :—

		Dr.	Cr.
Date		£ s d	£ s d
	Trading Account .. ..	50 0 0	
	To Publication Account ..	..	50 0 0
	For paper, printing, and binding .... copies of .....		

The other items will be transferred in the same way to the account of the book in the Copyright Ledger, where they will afterwards be subjected from time to time to the various fluctuations of depreciation or appreciation, according to the future success of the book. Example:—

		<i>Dr.</i>			<i>Cr.</i>		
Date		£	s	d	£	s	d
	"Robinson Crusoe" .. ..	170	0	0			
	To Publication Account, viz:—				170	0	0
	Copyright .. .. £100						
	Composition .. .. 50						
	Stereos .. .. 15						
	Illustrations .. .. 5						
	For items transferred and posted to their respective columns in the Copyright Ledger						

The Publication Account at the end of a given period presents somewhat the following appearance:—

## PUBLISHERS' ACCOUNTS.

Dr.	PUBLICATION ACCOUNT.				Cr.	
		J	£ s d	1870 June 30	J	£ s d
1870 April 1	To A.B. .. ..	340	100 0 0		840	30 0 0
	" Paper Account .. ..	"	10 0 0		"	165 0 0
	" Sundries .. ..	"	2,000 0 0		"	1,915 0 0
			<u>£2,110 0 0</u>			<u>£2,110 0 0</u>

It may be seen that the Publication Account serves two purposes, (1) to show at a glance the total amount expended during a given period on publication; (2) the value of *books in progress* at the time of balancing. Suppose that a publisher expends during a year £5,000 on publication, the value of books actually published and ready for sale on that date may only be £4,000, as exhibited by the credit side of his Publication Account, the balance showing the value of the books in course of production.

*Trading Account.*

Under this heading all particulars of trading are brought together on one side and compared with purchases which figure on the other, the difference being the gross profit for the year.

Most publishers not only bring out books at their own expense and risk but also at the sole expense of the author, a certain commission (generally 10 per cent.) being chargeable on the sales. In addition, the books of other houses are often taken over on commission, or collected and bought for exportation or convenience of customers. The Trading Account, therefore, will record the following types of transactions :—

Dr.	TRADING ACCOUNT.		Cr.
	£ s d		£ s d
Value of Stock at commencement .. ..		Cash Sales .. ..	
Collecting .. ..		Credit Sales .. ..	
Returns .. ..		Amounts due from authors for publication .. ..	
Expenses incurred for the production of authors' books .. ..		Returns .. ..	
Cost of Paper, Printing and Binding for period, transferred from Publication Account.. ..		Contra Entries .. ..	
Contra Entries .. ..		Value of Stock on hand at termination of given period .. ..	
Miscellaneous Purchases ..			
Royalties .. ..			
Balance—Gross Profit ..			

The items marked Returns are posted periodically from the Day Book or Returns Book by a Journal entry, while contra entries, royalties, and amounts due to or from authors will originate from the Journal itself.

*Paper Account.*

The items representing the quantity of paper bought are entered in detail in the Paper and Printing Book, afterwards appearing in the Invoice Book, the comprehensive item from the latter being debited to Paper Account in the Ledger. As paper is requisitioned for various volumes the *value* of such paper is credited to Paper Account, and debited to Publication Account. The purpose of making this item appear under the latter heading has already been explained. As the quantity of paper actually consumed for a given volume seldom or never exactly coincides with the quantity ordered, there is

generally a balance at the various printers termed *over-paper*. The difference between the debit and credit sides of the Paper Account shows the value of this over-paper.

Where no stock of paper is kept at the printers, *i.e.*, where only the exact quantity, as required for each separate book or number of a magazine, is ordered, the Paper Account and special column in Invoice Book may be dispensed with, and the items in this connection be charged under the heading of Trading Account.

*Advertising Account.*

This shows the sum expended on advertising, but not with respect to any particular book. The items are debited by a Journal entry from the Invoice Book, and are generally classified according to:—

Advertisements in newspapers.

Advertisements in own publications.

Postal advertising (circulars, postage, &c.).

This account is periodically relieved of those items which consist of money expended for the advertising of authors' own books, they being debited to the account in the Authors' Ledger, plus commission. As advertising is a trade expense, the balance of this account is transferred to Profit and Loss.

There is one exception, however, and that is the amount expended for the insertion of a list in the *Dictionary of Current Literature*, a standard work of reference in which all publishers are represented. Suppose that £250 is ex-

pended in catalogues for insertion in this work of reference, some bookkeepers debit this amount straight away to Profit and Loss. But a moment's consideration will show this course to be strictly inaccurate, the proper way of treating it being:—

JOURNAL.		Dr.	Cr.
Date		£ s d	£ s d
	Current Catalogue A/c. .. Dr.	250 0 0	
	To.....& Co. ..	..	250 0 0
	for printing.....trade catalogues		

and then to write the item down gradually. For, obviously, the expenditure is not without value to the publisher, as the *Dictionary of Current Literature* is a standard of reference for five years, and it is therefore unfair to charge the whole amount against one year's profit. This item finds an analogy in the Preliminary Expenses Account of a limited company. It may, therefore, figure among the assets on any Balance Sheet produced before the particular edition of the catalogue is obsolete, by which time it should have been gradually depreciated to *nil*.

The above accounts are those which are really characteristic of the publishing business, the remainder being simply of the general commercial type, and consequently call for no special consideration.

#### *Operations Involved in the Rendering of Accounts.*

Accounts are rendered to trade customers either quarterly or half-yearly, more generally at the latter interval. They are

nothing more or less than *facsimiles* of the Ledger Account.

Authors' accounts are generally rendered annually, and fall into two sections, viz., authors to whom a royalty is payable on the sales, and authors whose books are published at their own expense and risk.

For the making up of the latter class the account in the Authors' Ledger is used as an index, the Paper and Printing, Stock, Advertising, and Miscellaneous. Publication Books supplying details. The commission chargeable by the publisher on the sales is debited to author, and credited to Profit and Loss, by a Journal entry. With regard to the former class the account is made up from the same books and the royalty calculated. Author is then credited, and Profit and Loss is debited, by a Journal entry. Such entry in Profit and Loss Account usually consists of one comprehensive item, the individual credits being, of course, posted to their respective accounts. Example:—

		Dr.	Cr.
Date		£ s d	£ s d
	Profit and Loss Account .. Dr.	1,500 0 0	
	To Sundries .. .. X	..	1,500 0 0
	(enumerated)		
	for royalties due on sales for the year		

The forms of account rendered to author are as follows, the first where the book has been published at author's account and risk, the second the usual royalty statement:—

**AUTHOR'S ACCOUNT No. 1.**

	£	s	d	£	s	d
To Composing, Paper, and Printing— Copies.. ..	..	..	..			
" Corrections .. ..	..	..	..			
" Stereotyping .. ..	..	..	..			
" Electrotyping .. ..	..	..	..			
" Drawing and Engraving Illustrations	..	..	..			
" Paper and Printing do.	..	..	..			
" Binding ——— Copies .. ..	..	..	..			
" Do. Travellers' Samples .. ..	..	..	..			
" Engraving Special Design for Bind- ing .. ..	..	..	..			
" Publishing Expenses.. ..	..	..	..			
" Advertisements, Catalogues, and Prospectuses.. ..	..	..	..			
" Postage, Carriage, and Newspapers	..	..	..			
				£	s	d

**AUTHOR'S ACCOUNT No. 2.**

[illegible]

*Stock-taking.*

This operation becomes necessary whenever it is deemed advisable to test the state of affairs, and to ascertain the amount of profit realised on the trading for the period.

On the care with which the valuation is conducted depends the accuracy of the final result, and in the many detailed calculations which are necessary in the valuation of a

publisher's stock, a very easy loophole exists for the exaggeration of the state of affairs. It is therefore advisable that particular attention be paid to these extensions and that none are allowed to pass unchecked.

The distinction that exists in regard to the items which make up the cost of production of a book has already been pointed out, so that it will be readily seen that only the Trading Account items provide the data for calculating the value of a printed sheet.

In a book which is generally assigned for the purpose, the number and variety of printed stock are noted down, and the results therein checked with the figure in the Stock Book. If they coincide, the record of presentations and sales has been correctly kept, and the stock has been properly taken.

In those firms where no vouchers are kept and entered of removals from stock, no such check exists, and number of copies sold consists in the difference in two successive stock-takings, obviously a very unsatisfactory method.

The sheets of each book and the bound stock have now to have a value assigned to them, a proceeding which necessitates firstly the division of the stock into two sections, viz., books of which stereotype plates exist and books which have not been stereotyped.

With regard to the first section, the value is simply reckoned on the Trading Account items, obtained from the Paper and Printing Book, which consist of the cost of machining, paper, and in the case of bound stock, binding. The other items which go to make up the cost of production do not directly affect the Profit and Loss Account, as there is no trading in respect of them, and consequently have no part in the Trading Account and *a fortiori* in the valuation of stock. Supposing that in the case of a 6s. book the copyright, composition and stereotypes cost £200 and the machining and paper £45, the value of the sheets would be simply the latter item, viz., £45. So that supposing 2,000 copies had been printed, the stock would be valued at the rate of 5½d. per copy, and where any portion had been bound, the cost of binding, per copy, would be added. The copyright items are valued quite independently, and is a much more delicate operation, and the only relation existing between the two results is in the case where the copyright is valueless on account of competition or unpopularity and when the sales have consequently fallen to *nil*, in which event there is no justification for attaching any except a waste paper value to the stock. Circumstances might arise, however, which would have the effect of re-instating the value of a book, as, for instance, the revival in popularity of some neglected topic. But even then it would be in consideration of the copyright items being

enhanced in value that the stock would become of any value. So that the matter can be stated thus :—

*Sales* affect the value of *Copyright and Composition* ;  
on the latter depends whether the *sheets* are worth  
what they cost, or nothing.

By treating the matter thus stock is either worth what it cost, *i.e.*, Trading Account items, or nothing at all, and although the publication items may fluctuate in value in consideration of sales, or market influences, while any demand for the book exists at all, the sheets are worth precisely what they cost.

The published price of a book is based on	} Total cost of production.
The value of stock on hand	{
	Machining,
	Paper,
	Binding.

With regard to books that have been printed from type, *i.e.*, where no plates have been cast, the above considerations do not apply, as no property exists in respect of the composition apart from the book itself. Hence, in the valuation of such stock, the whole cost of production must be divided into the number of copies printed in order to obtain the basis on which the value is to be calculated. In this case the exhaustion of the stock means the exhaustion of the means of further production, and no asset remains in respect of composition when

the whole of the edition has been sold. Where any copyright exists in such books, however, it is treated in precisely the same way as for other books, *i.e.*, it is valued and figures as an asset in the books.

Illustrations, such as lithographed plates, zinco and process engravings generally, are valued in the same manner as books.

Artists' fees	} stand as property items
Engraving or process work	

Paper and pressing = value of stock.

The stock on hand of catalogues are never valued, as the cost of production is treated at once as a working expense and debited to Profit and Loss.

It should be particularly noted that all books out on sale that have not been debited to the consignee must be included and valued in the stock.

#### *Balancing.*

The uses served by the Trial Balance are—to show that the books have been correctly written up, to show the differences of the Personal Accounts when all allowances, bad debts, &c., have been written off, and to show the balances of all Expenses Accounts before being actually transferred to the Profit and Loss Account.

Before the Trial Balance can be taken out, therefore, the totals of the Day, Bill, Cash, Petty Cash and Invoice Books

must be transferred to their respective accounts in the Ledger by means of a Journal entry, all depreciation or appreciation charges made, all expenses charged up and any doubtful items charged to a Suspense Account.

The totals of Ledger Accounts then should agree with the totals in the Journal columns, and when such agreement has been effected the closing entries can be passed.

In large concerns, however, this agreement is not generally effected at the first attempt on account of errors which may exist in the casting of the subsidiary books, in the posting, or in the actual taking out of the Trial Balance. The labour involved in locating these errors is often very considerable, and to shorten and facilitate the process a system of monthly agreement is often adopted, by which the work is checked as it is done.

The operation is conducted as follows:—An abstract is made daily from the various subsidiary books of entries as they fall into different Ledgers, such as Country, Town, or Export; another being made from the Ledgers, arranged according to the source of the items, *i.e.*, whether they are derived from Bill, Cash, Day Books, or Journal.

At the end of each month these abstracts are totalled, and if they agree *inter se* the work is correct.

Subsidiary books are abstracted to yield totals in regard to :—

1. Country Ledger.
2. Town Ledger.
3. Export Ledger.
4. Authors' Ledger.
5. Copyright Ledger.

Ledgers are abstracted to yield totals in respect of the origin of the items, *i.e.*, the subsidiary books :—

6. Day Books.
7. Cash Book.
8. Bill Book.
9. Invoice Book.
10. Journal.

Thus the sum of the Country Ledger abstracts Nos. 6, 7, 8, 9, and 10 should agree with the abstract No. 1 ; the sum of the Town Ledger abstracts Nos. 6, 7, 8, 9, and 10 should agree with abstract No. 2, and so on. Thus, by the time it is necessary to take out a Trial Balance a number of totals agreeing amongst themselves will have been arrived at, serving the double purpose of checking the Trial Balance and

of showing the aggregate amount of the various transactions for the half-year.

These totals may be tabulated thus:—

<i>Dr.</i>	{	Goods sold.
		Purchases returned.
		Journal entries.
		Bills payable transactions.
		Cash paid.
<i>Cr.</i>	{	Goods purchased.
		Sales returned.
		Journal entries.
		Bills receivable transactions.
		Cash received.

The way is thus paved for the Trial Balance being struck, and where this procedure is adopted the Trial Balance Sheets are ruled in the following manner:—

[illegible]

and as the total and difference of each Ledger Account is copied on the sheet, the items are analysed to supply the figures for the various columns. If the balance is not correct, the error is then usually to be found in the shape of a discrepancy between a given column of a Trial Balance Sheet and a corresponding column of a Ledger abstract, and is thus easily traced to its source.

To make this section perfectly clear the following example may suffice :—

<i>Town Ledger Abstract shows totals emanating from:—</i>				<i>Town Ledger Trial Balance Sheet shows totals :—</i>			
			£				£
Day Book	..	..	2,000		{	Goods sold	2,000
Cash Book	Dr.	..	800	Dr.	{	Journal entries	150
	Cr.	..	20		{	Bill Payable entries	nil
Bill Book	Payable	..	nil	{	{	Cash paid	20
	Receivable	..	250		{	Goods bought	500
Invoice Book	..	..	500	Cr.	{	Journal entries	70
Journal	Dr.	..	150		{	Bill Receivable entries	250
	Cr.	..	70		{	Cash received	790
			<u>£3,790</u>				<u>£3,780</u>

The Trial Balance was found to be £10 out, and this difference by the above method was traced to the Town Ledger, and again to the cash items. Hence, by checking the debit cash postings or the analysis of the debit cash column of the Trial Balance Sheet, the mistake was easily detected.

There is nothing particular to be noted in connection with the subdivisions of the Profit and Loss Account, except that

the most important of the subsidiary Expenses Accounts are the Advertising and Catalogues Accounts, in regard to which care should be taken that all items chargeable to authors are written off before transferring the balances.

In passing the closing entries and in ruling off, the Balance Account is now generally regarded as obsolete; and in the case of outstanding Trade Accounts the balance is simply brought down as shown in the example already given of Ledger Account ruling.

*Valuation of Assets.*

The usual depreciation is written off in such Property Accounts as office furniture, &c., and offers no complications; but the estimation of the current value of any book is of a more involved character, and for the full consideration of the questions affecting the valuation of copyright Section III. must be referred to. The items to be considered are those which appear in the Copyright Ledgers, such as copyright, &c., and the question of past sales and future prospects form the data from which these items are made up to appear on the Balance Sheet. Where a book, the copyright of which is the property of the publisher, is having a good sale, and its expenses have been cleared without there being any immediate prospect of the sales falling off, an *appreciation* is usually estimated according to the facts—that is to say, according as the value of the book to the publisher has increased.

The book, in such a case, is debited with this increase, distributed amongst the several items, an increase in value of copyright naturally affecting the value of the plates. The same data determine when and by how much these items should be depreciated. In the latter case the book is credited, and Profit and Loss Account debited.

An exact analogy, in fact, subsists between the above operations and the treatment of a Goodwill Account.





## PART II

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### WORKED EXAMPLE



## PART II.

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### WORKED EXAMPLE.

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THE following example has been drawn up to illustrate the text of the preceding section. It would have been impossible within the limits of the present work to have represented a set of detailed transactions covering an extended period, consequently the examples given will be found to be typical rather than actual. The representative connections between author and publisher have received consideration, and the examples given on January 1, 3, and 9 fully illustrate the treatment of the accounts involved.

The question of dates is, of course, no guide as to the actual time occupied in the production of books or in the settlement of accounts, and here, except for the purpose of indicating the succession of events, are valueless.

With regard to those books which do not actually contribute any data towards the final determination of Profit and Loss, such as Paper and Printing, and Miscellaneous Publication

Books, &c., they have not been here worked out, as ample illustrations of the ruling and writing up of these have been already given.

The bookkeeping involved in connection with cash sales has received illustration only in respect of the sum total for the week. To have shown these transactions in detail would obviously have been impossible. The only thing necessary to bear in mind is that the vouchers written out, showing the title of book and quantity taken from stock, are registered in the Stock Ledger.

The question as to when the Publication Account should be relieved of the cost of production may present a slight difficulty. In the examples of January 15 and February 9 this transfer was made immediately on the publication of the work, but it would be equally correct to make one comprehensive Journal entry of all such transfers at a period just prior to balancing, at the same time as accounts subsidiary to Profit and Loss are closed.

The treatment of such details as are common to all businesses, such as petty cash disbursements, salaries, gas, rates and taxes, etc., have been eliminated, as such are fully dealt with in elementary treatises on accounts.

With regard to the legitimacy of such closing entries as those given on Journal pages 5-6, some accountants are of

opinion that such a treatment is false. (*Vide Child on Book-keeping and Accounts*, page 70.) This method of closing has, however, been adopted here because it is in more general use than any other, although it is possibly less scientific. The old Balance Account has been ignored as obsolete, the balances being simply brought down.

The affairs of Messrs. X. Y. Z., publishers, on January 1 1892, stood as follows:—

ASSETS.							
						£	s d
Cash..	..	..	..	..	..	3,000	0 0
Business Premises	..	..	..	..	..	10,000	0 0
Goodwill	..	..	..	..	..	2,000	0 0
Fixtures	..	..	..	..	..	750	0 0
Rights and Property in Sundry Publications as under:—							
<i>Smith's Dictionary</i>	..	..	..	..	..	500	0 0
Copyright, £250; Composition, £100; Stereos, £50;							
Illustrations, £100.							
<i>Peter Simple</i>	..	..	..	..	..	250	0 0
Copyright, £150; Stereos, £75; Moulds, £25.							
<i>Telegram Code</i>	..	..	..	..	..	1,000	0 0
Compilation, £350; Composition, £350; Electros,							
£250; Binding Blocks, £50.							
<i>Adam Bede</i>	..	..	..	..	..	200	0 0
Copyright, £100; Stereos, £100.							
Stock on hand and out on sale—							
Quire	..	..	..	..	..	5,000	0 0
Bound	..	..	..	..	..	3,000	0 0
<i>Value of Books in Progress</i>	..	..	..	..	..	500	0 0
<i>Consignment to Melbourne</i>	..	..	..	..	..	250	0 0



LIABILITIES— <i>Continued.</i>					£	s	d
<i>Sutton &amp; Co.—</i>							
Ground Rent due to date	..	..	..	..	65	0	0
B. Braybrooke (traveller)	..	..	..	..	18	0	0

Their transactions were as follows :—

Jan. 1	An agreement completed this day with A. Dumas for the production of a novel of.....words, entitled <i>Day Dawn</i> , for the consideration of £100. Copyright to become the property of the firm. MSS. delivered and placed with Messrs. Butler & Tanner for printing.						
„ 1	Sold to W. Menzies— 13/12 <i>Telegram Codes</i> , £4, @ £2 15s.    ..    ..    33   0   0 Net. And received from him cheque    ..    ..    ..    150   0   0						
„ 2	Paid on account to A. Dumas    ..    ..    ..    50   0   0 Messrs. Hodgson, auctioneers, realised £15 for 750 copies of a job line, <i>Our Village</i> ..    ..    ..    15   0   0						
„ 3	Sold to J. Darter, Cape Town— 26/24 <i>Adam Bede</i> , 3/6, @ 2/6    ..    ..    ..    3   0   0 5 % Received cheque from them on account    ..    ..    ..    50   0   0						
„ „	MSS. of a novel entitled <i>The Bridegroom</i> received from author, to be published at his expense and risk; sales to be accounted for at 4/-; published price, 7/-. Cash deposit received from him    ..    ..    ..    50   0   0						
					E 2		

Jan. 4	Sold Educational Trading Co.—	£	s	d
	30 <i>Smith's Dictionary</i> , 10/-, @ 7/- .. ..	10	10	0
	Less discount 5 %			
	Received from them cash .. ..	14	15	0
<hr/>				
„ 5	Bill held by the Leipzig Lithograph Co., paid at Bank	18	0	0
	Paid to traveller, B. Braybrooke, amount of his account .. ..	18	0	0
<hr/>				
„ 6	Invoice and goods received from Messrs. Clowes & Son. Composing, printing, and working a catalogue of 32 pp. .. ..	20	0	0
	Paper for same used from stock at Messrs. Clowes	5	0	0
<hr/>				
„ „	Sold J. Ward—			
	24 <i>Adam Bede</i> , 3/6, @ 2/6 .. ..	3	0	0
	5 %			
	Cash received from him .. ..	171	0	0
	Discount allowed .. ..	9	0	0
<hr/>				
„ „	Cash sales for the week, sundry publications ..	48	0	0
<hr/>				
„ 8	Consigned to J. Robertson—			
	20 <i>Telegram Codes</i> , £4, @ £2 15s. .. ..	55	0	0
<hr/>				
„ 9	MSS. received and placed with printer of a novel by W. Doyle entitled <i>The Bargeman</i> . To be published by the firm, the author retaining the copyright and receiving a royalty of 1/- per copy.			

Jan. 9	Bought of Messrs. Spicer Bros.—	£	s	d
	60 reams double crown for above, 35 lbs., @ 14/-	24	0	0
	30 reams double crown for <i>The Bridegroom</i> , 35 lbs., @ 14/- .. .. .	12	0	0
	Our commission, 10 % .. .. .	1	4	0
	20 reams quad demy for <i>Day Dawn</i> , 30 lbs. ..	20	0	0
<hr/>				
„ 10	Sold W. Smith—			
	7 <i>Telegram Codes</i> , £4, @ £2 15s. .. .. .	19	5	0
	Net.			
	Received from him cheque on account—			
	5 % items, £100; net items, £90 .. .. .	190	0	0
	Discount allowed .. .. .	5	0	0
<hr/>				
„ 11	Paid by cheque Messrs. Sutton for mortgage interest	65	0	0
„ „	Account sales received from Messrs. Robertson, Melbourne, showing that the consignment to them realised .. .. .	310	0	0
	Commission due to them .. .. .	35	0	0
	To be settled <i>per contra</i> .			
<hr/>				
„ 12	Disposed of copyright and plant of <i>Peter Simple</i> to Messrs. G. Bell & Sons, viz., copyright, £200; stereos, £75; moulds, £25 .. .. .	300	0	0
<hr/>				
„ 13	Received from M. Marques 2,000 copies (quires) of Magazine @ 3½d. .. .. .	29	13	4
<hr/>				
„ „	Invoice received from Messrs. Clowes & Son for 2,000 4 pp. wrappers at 12/6 per page, £2 10s.; machining, £5 .. .. .	7	10	0

Jan. 13	Account received from J. Mason, advertising agent, advising that he had arranged for 3 pp. advertise- ments for above wrapper @ £20 .. .. .	£	s	d
		60	0	0
	Less his commission @ 10 % .. .. .	6	0	0
<hr/>				
„ „	Cheque received from Messrs. Bell on account of <i>Peter Simple</i> .. .. .	300	0	0
<hr/>				
„ „	Cash sales for week, sundry publications .. ..	56	0	0
<hr/>				
„ 15	Novel entitled <i>Artist's Model</i> published this day; 1,000 copies delivered from binder. Composition, £157; paper, £24; stereos, £45; binding, £18; working, £20; binding blocks, £1 10s. .. ..	265	10	0
<hr/>				
„ 18	Messrs. Smith & Son took— 1,200 copies of magazine @ 7d. .. .. .	35	0	0
	10 %			
	And returned 150 copies of last issue allowed @ 7d. ..	4	7	6
<hr/>				
„ 19	Messrs. Menzies took— 300 copies of magazine @ 7d. .. .. .	14	11	8
	5 %			
<hr/>				
„ 20	Paid by cheque— <i>Saturday Review</i> .. .. .	25	0	0
	<i>Athenæum</i> .. .. .	10	0	0
	Messrs. Butler & Tanner .. .. .	120	0	0
<hr/>				
„ „	Cash sales for week, sundry publications .. ..	32	0	0

Jan. 22	Invoice received from Messrs. Butler & Tanner for	£	s	d	
	printing <i>Day Dawn</i> , viz. :—				
	Composing 320 pp. or. 8vo @ £5 per				
	sheet of 16 pp. .. .. .	£100	0	0	
	Corrections .. .. .	8	0	0	
	Electrotyping, imposing and taking				
	to foundry .. .. .	40	0	0	
	Working .. .. .	20	0	0	
		<hr/>	168	0	0

Sheets delivered to Messrs. Smith Bros. with instructions to bind 1,000 copies.

„ 25	Invoice received from Messrs. Butler & Tanner for printing <i>The Bridegroom</i> , viz. :—				
	Composing 320 pp. @ £5 per sheet of 16 pp. .. .. . £100 0 0				
	Corrections .. .. . 5 0 0				
	Stereotyping, imposing, and casting 30 0 0				
	Working and pressing .. .. 15 0 0				
	<hr/> 150 0 0				
	Our commission at 10 % .. .. 15 0 0				

Sheets delivered to Messrs. Smith Bros. with order to bind 500 copies.

„ 26	Sheets received this day from Messrs. Clowes & Son with invoice as follows :—			
	Composing 480 pp., or. 8vo, <i>The Bargeman</i> , 30 sheets of 16 pp. @ £5	£150	0	0
	Corrections .. .. .	7	0	0
	Stereotyping, imposing, and taking to foundry 30 sheets @ £1 10s. ..	45	0	0
	Working and pressing 30 reams ..	20	0	0
			<hr/>	
				222 0 0

Sheets duly delivered to Messrs. Smith Bros. with instructions to bind.

			£	s	d
Jan. 27	Cash sales for week of sundry publications ..	..	55	0	0
<hr/>					
„ 31	Paid salaries .. .. .	.. ..	25	0	0
	Salary due to B. Braybrooke ..	..	£25	0	0
	Expenses, 30 days at £1 1s. ..	..	31	10	0
	Commission .. .. .	..	8	0	0
			<hr/>		
				64	10 0
<hr/>					
Feb. 2	Received cheque from M. Marques for right to re- print in a magazine the novel <i>Day Dawn</i> ..	..	100	0	0
<hr/>					
„ „	Cash sales for week of sundry publications ..	..	43	0	0
<hr/>					
„ 4	Voucher copies of advertisements and invoices received from the following:—				
<i>Publishers' Circular—</i>					
	<i>Day Dawn</i> .. .. .	..	£5	0	0
	<i>Bridegroom</i> .. .. .	..	3	0	0
	<i>Bargeman</i> .. .. .	..	5	0	0
			<hr/>		
				13	0 0
<i>Athenæum—</i>					
	<i>Day Dawn</i> .. .. .	..	£5	0	0
	<i>Bridegroom</i> .. .. .	..	5	0	0
	<i>Bargeman</i> .. .. .	..	4	10	0
			<hr/>		
				14	10 0
<i>Saturday Review—</i>					
	<i>Day Dawn</i> .. .. .	..	£5	0	0
	<i>Bridegroom</i> .. .. .	..	5	0	0
			<hr/>		
				10	0 0

Feb. 5.	<i>J. Mason</i> forwarded a statement showing that the space at his disposal for advertisements in the following had been taken up, viz. :—	£	s	d
	<i>Day Dawn</i> , 8 pp. @ £10 .. .. .	80	0	0
	<i>Bridegroom</i> , 10 pp. @ £10 .. .. .	100	0	0
	<i>Bargeman</i> , 8 pp. @ £10 .. .. .	80	0	0
<hr/>				
„ 6	Cheque received from the author of <i>The Bridegroom</i> for advertising .. .. .	13	4	0
	Our commission for placing various advertisements charged this day .. .. .	1	6	0
	And for obtaining advertisements in his publication	10	0	0
<hr/>				
„ 7	Cash sales for the week of sundry publications ..	60	0	0
<hr/>				
„ 8	Messrs. Smith Bros. made the following deliveries with invoice accompanying :—			
	<i>Binding</i> , viz. :—			
	1,000 copies of <i>Bargeman</i> .. .. .	£18	0	0
	500 delivered.			
	1,000 copies of <i>Day Dawn</i> .. .. .	17	10	0
	500 delivered.			
	500 copies of <i>Bridegroom</i> .. .. .	8	0	0
	All delivered.			
		43	10	0
<hr/>				
	Our commission on last item .. .. .	16	0	
<hr/>				
„ 9	The novels above mentioned published this day, and 12 copies of each sent to author, 5 for review, and 5 to public libraries.			

Feb. 10	Invoice received from jobbing printer for 5,000 post cards of list of recent publications, and cheque given for same	£	s	d
	Charged author of <i>Bridegroom</i> for his share of same	17	0	0
		1	14	0
<hr/>				
„ 11	Sold J. Menzies—			
	240 copies <i>Old Garden</i> @ 2/6, for account Messrs. Arrowsmith	30	0	0
	Our commission, 10 %	3	0	0
<hr/>				
„ 12	Sold to J. Ward—			
	250 <i>Bargeman</i> , 6/-, @ 4/2	52	11	8
	5 %			
	50 <i>Bridegroom</i> , 7/-, @ 5/-	12	10	0
	5 %			
<hr/>				
„ 13	Sold to W. Smith & Co.—			
	50 <i>Bargeman</i> , 6/-, @ 4/2	10	8	4
	150 <i>Bridegroom</i> , 7/-, @ 5/-	37	10	0
	10 %			
<hr/>				
„ 14	Consigned to J. Darter—			
	100 <i>Day Dawn</i> , 5/-, @ 3/6, on sale	17	10	0
	Cash sales for week, sundry publications and 50 <i>Day Dawn</i> , 5/-, @ 3/6	45	0	0
<hr/>				
„ 16	Sold to W. Smith & Co.—			
	50 <i>Day Dawn</i> , 5/-, @ 3/6	8	15	0
	5 %			
	Sold to J. Ward—			
	50 <i>Day Dawn</i> , 5/-, @ 3/6	8	15	0
	5 %			

						£	s	d
Feb. 17	Paid Messrs. Spicer by cheque	..	..	..	..	50	0	0
	Discount received	..	..	..	..	2	10	0
<hr/>								
„ 18	Messrs. Butler & Tanner drew on us at three months for	..	..	..	..	120	0	0
<hr/>								
„ 19	Received cheque from the author of <i>The Bridegroom</i>					50	0	0
<hr/>								
„ 21	Cash sales for week, sundry publications	..	..			25	0	0
<hr/>								
„ 23	Messrs. Clowes & Sons drew on us at three months for	..	..	..	..	150	0	0
<hr/>								
„ 25	Cheque received from J. Mason on account	..				50	0	0
<hr/>								
„ 28	Cash sales, sundries	..	..	..	..	35	0	0
	Paid salaries	..	..	..	..	25	0	0
	„ Mr. B. Braybrooke	..	..	..	..	50	0	0
	Salary and expenses due to him	..	..	..	..	55	0	0
<hr/>								
„ „	Amount due to author of <i>Bridegroom</i> for sales of this work, 200 copies @ 4/-	..	..	..	..	40	0	0
<hr/>								
„ „	Amount due to author of <i>Bargeman</i> for royalties on 300 copies @ 1/-	..	..	..	..	15	0	0
<hr/>								
„ „	Stock on hand valued as follows, viz. :—							
	Quire stock	..	..	..	..	6,000	0	0
	Bound „	..	..	..	..	2,500	0	0
	5 % depreciation written off the items of <i>Smith's Dictionary</i> and <i>Adam Bede</i> .							
	Items of <i>Telegram Code</i> appreciated 5 %.							
	25 % depreciation written off <i>Dictionary of Current Literature</i> .							

## DAY BOOK.

1892									
Jan.	1	W. Menzies, 13/12 <i>Telegram Codes</i> , £4 at £2 15/- Net	2	£	s	d	£	s	d
				33	0	0	33	0	0
"	3	J. Darter, 26/24 <i>Adam Bede</i> , 3/6 at 2/6 5 %	2	3	0	0	3	0	0
"	4	Educational Trading Co. 30 <i>Smith's Dictionary</i> , 10/- at 7/- 5 %	2	10	10	0	10	10	0
"	6	J. Ward, 24 <i>Adam Bede</i> , 3/6 at 2/6 5 %	1	3	0	0	3	0	0
"	10	W. Smith, 7 <i>Telegram Codes</i> , £4 at £2 15/- Net	1	19	5	0	19	5	0
"	18	W. Smith, 1,200 Magazine at 7d. 10 % W. Smith (returns), 150 Magazine at 7d.	1 1	35 4	0 7	0 6	35	0	0
"	19	W. Menzies, 500 Magazine at 7d. 5 %	2	14	11	8	14	11	8
Feb.	11	W. Menzies, 240 <i>Old Garden</i> at 2/6 5 %	2	30	0	0	30	0	0
"	12	J. Ward, 250 <i>Bargeman</i> , 6/- at 4/2 5 % 50 <i>Bridegroom</i> , 7/- at 5/- 5 %	1 1	52 12	11 10	8 0			
							65	1	8
		Carried forward..		4	7	6	213	8	4

## DAY BOOK—(continued).

1897			£	s	d	£	s	d
	Brought forward ..		4	7	6	213	8	4
Feb. 13	W. Smith, 50 <i>Bargeman</i> , 6/- at 4/2 150 <i>Bridegroom</i> , 7/- at 5/- 10 %	1	10	8	4	47	18	4
„ 14	J. Darter, 100 <i>Day Dawn</i> , 5/- at 3/6 ( <i>On Sale</i> )	2	17	10	0	17	10	0
„ 16	W. Smith, 50 <i>Day Dawn</i> , 5/- at 3/6 5 %	1	8	15	0	8	15	0
„ 16	J. Ward, 50 <i>Day Dawn</i> , 5/- at 3/6 5 %	1	8	15	0	8	15	0
	<i>Journal Ref. 6</i>		£4	7	6	£296	6	8

## INVOICE BOOK.

Date	From whom bought	Publication Account	Trading Account	Paper Account	Advertising	Catalogues	Charges General	Total	Ledger Folio
		£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	
1892									
Jan. 6	Messrs. Clowes & Sons	..	..	56 0 0	..	20 0 0	..	20 0 0	2
" 9	Spicer Bros. ..	..	7 10 0	..	..	..	..	56 0 0	1
" 13	Clowes & Sons	..	20 0 0	..	..	..	..	7 10 0	2
" 22	Butler & Tanner	148 0 0	20 0 0	..	..	..	..	168 0 0	1
" 25	"	..	150 0 0	..	..	..	..	150 0 0	1
" 26	Clowes & Sons	202 0 0	20 0 0	..	..	..	..	222 0 0	2
Feb. 4	<i>Publishers' Circular</i>	..	..	..	13 0 0	..	..	13 0 0	3
"	<i>Athenaeum</i> ..	..	..	..	14 10 0	..	..	14 10 0	1
"	<i>Saturday Review</i>	..	..	..	10 0 0	..	..	10 0 0	1
" 8	Smith Bros. ..	35 10 0	8 0 0	..	..	..	..	43 10 0	2
	<i>Journal Ref. 5</i> ..	385 10 0	205 10 0	56 0 0	97 10 0	20 0 0		704 10 0	

## CASH BOOK.

4

Date	Receipts	Cash		Discount		Date	Payments	Cash		Discount	
		£	s d	£	s d			£	s d	£	s d
1892	To Balance ..	3,000	0 0			1892	By A. Dumas ..	1			
Jan. 1	" W. Menzies ..	2	150 0 0			Jan. 2	" Bills Payable ..	5	50 0 0		
" 3	" J. Darter ..	2	50 0 0			" 5	" B. Braybrooke ..	2	18 0 0		
" 4	" Author of <i>Bridegroom</i> ..	1	50 0 0			" 11	" Messrs. Sutton ..	2	65 0 0		
" 6	" Educational Co. ..	2	14 15 0	15 0		" 20	" <i>Saturday Review</i> ..	1	25 0 0		
" 10	" J. Ward ..	1	171 0 0	9 0 0		" "	" <i>Athenæum</i> ..	1	10 0 0		
" 13	" Cash Sales ..	3	48 0 0			" "	" Butler & Tanner ..	1	120 0 0		
" 20	" W. Smith ..	1	125 0 0	5 0 0		" 31	" Salaries ..	4	25 0 0		
" 27	" Messrs. Bell & Co. ..	2	300 0 0			Feb. 10	" Advertising Account (Post Cards)	4	17 0 0		
" 28	" Cash Sales ..	3	56 0 0			" "	" Spicer Bros. ...	1	47 10 0	2 10 0	
" 29	" do. ..	3	92 0 0			" 17	" Salaries ..	4	25 0 0		
" 30	" do. ..	3	55 0 0			" 28	" B. Braybrooke ..	2	50 0 0		
Feb. 2	" M. Marques ..	2	100 0 0			" "	" Balance ..	..	4,002 9 0		
" 6	" Cash Sales ..	3	43 0 0								
" 7	" Author of <i>Bridegroom</i> ..	1	13 4 0								
" 14	" Cash Sales ..	3	60 0 0								
" 19	" do. ..	3	45 0 0								
" 21	" Author of <i>Bridegroom</i> ..	1	50 0 0								
" 25	" Cash Sales ..	3	25 0 0								
" 28	" B. Mason ..	1	50 0 0								
" "	" Cash Sales ..	3	85 0 0								
	Journal Ref. 5			£4,472 19 0	£14 15 0		Journal Ref. 6			£4,472 19 0	£2 10 0

## BILLS PAYABLE BOOK.

Date	Name	Fo.	Amount	Term	Payable at	Due	Memo.
1892			£ s d				
Feb. 18	Butler & Tanner	1	120 0 0	3 mos.	Bank ..	May 21	
" 23	Clowes & Sons..	2	150 0 0	"	" ..	" 26	
	Journal Ref. 6		£ 270 0 0				

## JOURNAL 1.

Folio	January 1892	£	s	d	£	s	d
2	Sundries Dr. to Capital, viz.:—	..	..	..	27,795	0	0
2	Cash .. ..	3,000	0	0			
1	Business Premises .. ..	10,000	0	0			
1	Goodwill .. ..	2,000	0	0			
1	Fixtures .. ..	750	0	0			
1	Smith's Dictionary .. ..	500	0	0			
1	Peter Simple .. ..	250	0	0			
1	Telegram Code .. ..	1,000	0	0			
2	Adam Bede .. ..	200	0	0			
4	Trading A/c .. ..	8,000	0	0			
3	Publication A/c .. ..	500	0	0			
1	Consignment to Melbourne .. ..	250	0	0			
1	Reference Library .. ..	250	0	0			
1	J. Ward .. ..	180	0	0			
1	W. Smith.. ..	180	0	0			
2	Educational Company .. ..	25	0	0			
2	W. Menzies .. ..	250	0	0			
2	J. Darter .. ..	75	0	0			
2	Messrs. Robertson .. ..	150	0	0			
1	B. Mason .. ..	50	0	0			
1	Dictionary Current Lit. A/c .. ..	200	0	0			
3	Paper A/c.. ..	35	0	0			
2	Capital Dr. to Sundries, viz.:—	476	0	0			
1	Butler & Tanner .. ..	..	..	..	120	0	0
1	Saturday Review .. ..	..	..	..	25	0	0
1	Athenæum .. ..	..	..	..	10	0	0
1	Spicer Bros. .. ..	..	..	..	50	0	0
2	Smith Bros. .. ..	..	..	..	25	0	0
2	Clay & Co. .. ..	..	..	..	100	0	0
5	Bills Payable .. ..	..	..	..	38	0	0
1	H. Ainsworth .. ..	..	..	..	5	0	0
1	P. Shelley .. ..	..	..	..	10	0	0
1	O. Goldsmith .. ..	..	..	..	10	0	0
2	B. Braybrooke .. ..	..	..	..	18	0	0
2	Messrs. Sutton & Co. .. ..	..	..	..	65	0	0
	Carried forward .. ..	28,271	0	0	28,271	0	0

## JOURNAL 2.

Folio		£	s	d	£	s	d
	Brought forward .. ..	28,271	0	0	28,271	0	0
8 1	Publication A/c .. .. Dr. To A. Dumas .. .. For Copyright of Novel, <i>Day Dawn</i> , as per Agreement. .. ..	100	0	0	100	0	0
8 3	January 6 Catalogues A/c .. .. Dr. To Paper A/c .. .. For Paper used from Stock at Messrs. Clowes. .. ..	5	0	0	5	0	0
1 4	January 8 Consignment to Melbourne Dr. To Trading A/c .. .. For 20 Telegram Codes .. ..	55	0	0	55	0	0
2 1	January 11 Messrs. Robertson .. Dr. To Consignment to Melbourne .. ..	310	0	0	310	0	0
8 2	Commission A/c .. .. Dr. To Messrs. Robertson For Commission on above. .. ..	35	0	0	35	0	0
2 1	January 12 G. Bell & Sons .. .. Dr. To <i>Peter Simple</i> A/c .. For disposal of Plant, viz.:—Copyright £200 Stereos .. £75 Moulds .. £25	300	0	0	300	0	0
1 4	January 13 B. Mason .. .. Dr. To Advertising A/c .. For Advertisements 3 pp. wrapper. .. ..	60	0	0	60	0	0
8 1	Commission .. .. Dr. To B. Mason .. .. For Commission on above. .. ..	6	0	0	6	0	0
	Carried forward .. ..	29,142	0	0	29,142	0	0

## JOURNAL 3.

Folio			£	s	d	£	s	d
	Brought forward.. ..		29,142	0	0	29,142	0	0
	January 15							
2	Artist's Model A/c.. ..	Dr.	202	0	0			
3	To Publication A/c ..		..			202	0	0
	For amounts transferred, viz.:—							
	Copyright.. £157							
	Stereos .. £45							
	January 15							
4	Trading A/c .. ..	Dr.	63	10	0			
3	To Publication A/c ..		..			63	10	0
	For Items A/c Artist's Model transferred.							
	February 2							
2	M. Marques .. ..	Dr.	100	0	0			
2	To Day Dawn A/c ..		..			100	0	0
	For right to reproduce in his Magazine.							
	February 4							
1	Author of <i>Bridegroom</i> , Dr. to Sundries, viz.:—		14	6	0			
4	Advertising A/c ..		..			13	0	0
3	Commission A/c ..		..			1	6	0
	For advertising his book.							
	February 5.							
1	B. Mason Dr. to Sundries, viz.:—		260	0	0			
4	Advertising A/c .. ..		..			160	0	0
1	Author of <i>Bridegroom</i> .. ..		..			100	0	0
	For Advertisements in sundry publications.							
3	Commission A/c .. ..	Dr.	26	0	0			
1	To B. Mason .. ..		..			26	0	0
	For his Commission on above.							
	Carried forward .. ..		29,807	16	0	29,807	16	0

## JOURNAL 4.

Folio		£	s	d	£	s	d
	Brought forward.. ..	29,807	16	0	29,807	16	0
1	Author of <i>Bridegroom</i> .. Dr.	20	0	0	..		
3	To Commission A/c ..	..			20	0	0
	For Commission for advertisements in publication.						
	February 10						
3	Sundries Dr. to Publication A/c, viz. :—	..			450	0	0
2	<i>Bargeman</i> .. ..	202	0	0			
2	<i>Day Dawn</i> .. ..	248	0	0			
	For items transferred to Copy- right Ledger.						
3	Sundries Dr. to Paper A/c, viz. :—	..			56	0	0
3	Publication A/c.. ..	44	0	0			
	For paper used for <i>Bargeman</i> and <i>Day Dawn</i> .						
4	Trading A/c .. ..	12	0	0			
	For paper used for <i>Bridegroom</i>						
1	Author of <i>Bridegroom</i> .. Dr.	187	0	0	..		
3	To Commission A/c ..	..			17	0	0
4	„ Trading A/c .. ..	..			170	0	0
	For cost of production of his book and our commission.						
4	Trading A/c .. .. Dr.	119	10	0	..		
3	To Publication A/c ..	..			119	10	0
	For items of working, paper and binding <i>Day Dawn</i> and <i>Bargeman</i> trans- ferred.						
	February 10						
1	Author of <i>Bridegroom</i> .. Dr.	1	14	0			
3	To Catalogue A/c ..	..			1	14	0
	For advertising his book in Catalogue.						
	Carried forward .. ..	30,642	0	0	30,642	0	0

## JOURNAL 5.

Folio		£	s	d	£	s	d
	Brought forward.. ..	30,642	0	0	30,642	0	0
2	Sundries <i>Dr.</i> to B. Braybrooke, viz. :—	..			55	0	0
4	Salaries and Wages .. ..	25	0	0			
8	Commission .. ..	30	0	0			
4	Trading A/c .. .. <i>Dr.</i>	40	0	0			
1	To author of <i>Bridegroom</i> For Sales since publica- tion, viz. — 200 copies at 4/-.	..			40	0	0
4	Trading A/c .. .. <i>Dr.</i>	15	0	0			
1	To W. Doyle .. .. For royalty on 300 copies <i>Bargeman</i> at 1/-.	..			15	0	0
5	Profit and Loss A/c, <i>Dr.</i> to Sundries, viz. :—	85	0	0			
1	<i>Smith's Dictionary</i> .. ..	..			25	0	0
2	<i>Adam Bede</i> .. ..	..			10	0	0
1	<i>Dictionary of Current Litera- ture</i> .. ..	..			50	0	0
	For depreciation on Copyright and Plant.						
1	Telegram Code A/c .. .. <i>Dr.</i>	50	0	0			
5	To Profit and Loss A/c.. For appreciation on Copyright and Plant.	..			50	0	0
3	Publication A/c .. ..	885	10	0			
4	Trading A/c .. ..	205	10	0			
3	Paper A/c .. ..	56	0	0			
4	Advertising A/c .. ..	37	10	0			
3	Catalogues A/c .. ..	20	0	0			
	To Sundries .. ..	..			704	10	0
	For purchases during January and February, as per Invoice Book.						
2	Cash A/c .. .. <i>Dr.</i>	1,472	19	0			
	To Sundries .. ..	..			1,472	19	0
	For Cash receipts during January and February, as per Cash Book.						
	Carried forward .. ..	33,064	9	0	33,064	9	0

## JOURNAL 6.

Folio		£	s	d	£	s	d
	Brought forward .. ..	33,064	9	0	33,064	9	0
2	Sundries .. .. Dr.	470	10	0			
	To Cash A/c .. ..	..	..	..	470	10	0
	For payments during January and February, as per Cash Book.	..	..	..			
4	Discount A/c .. .. Dr.	14	15	0			
	To Sundries .. ..	..	..	..	14	15	0
	For sundry discounts allowed.	..	..	..			
4	Sundries .. .. Dr.	2	10	0			
	To Discount A/c .. ..	..	..	..	2	10	0
	For sundry discounts received.	..	..	..			
5	Sundries .. .. Dr.	270	0	0			
	To Bills Payable as per Bills Payable Book.	..	..	..	270	0	0
4	Sundries .. .. Dr.	296	6	8			
	To Trading A/c .. ..	..	..	..	296	6	8
	For Sales during January and February, as per Day Book.	..	..	..			
4	Trading A/c .. .. Dr.	4	7	6			
	To Sundries .. ..	..	..	..	4	7	6
	For returns, as per Day Book.	..	..	..			
		*34,122	18	2	34,122	18	2
5	Profit and Loss Dr. to Sundries, viz. :—	169	5	0			
3	Catalogues .. ..	..	..	..	23	6	0
3	Commission .. ..	..	..	..	58	14	0
4	Salaries .. ..	..	..	..	75	0	0
4	Interest and Discount .. ..	..	..	..	12	5	0
	For balances transferred.	..	..	..			
	Carried forward .. ..	34,292	3	2	34,292	3	2

\* Agreeing with Trial Balance.

## JOURNAL 7.

Folio		£	s	d	£	s	d
	Brought forward.. ..	84,292	3	2	84,292	3	2
5	Sundries <i>Dr.</i> to Profit and Loss, viz. :—	..	..		1,348	19	2
4	Advertising .. ..	178	10	0			
1	<i>Peter Simple</i> .. ..	50	0	0			
1	Consignment to Melbourne	60	0	0			
2	<i>Day Dawn</i> .. ..	100	0	0			
4	Trading A/c .. ..	960	9	2			
	For balances transferred.						
5	Profit and Loss .. .. <i>Dr.</i>	1,144	14	2			
2	To Capital A/c .. ..	..			1,144	14	2
	For net Profit, January and February trans- ferred.						
		£86,785	16	6	£86,785	16	6

(Folio 1)

## PRIVATE LEDGER.

## BUSINESS PREMISES.

1892			£	s	d	1892			£	s	d
Jan. 1	To Capital Account	J. 1	10,000	0	0	Feb. 28	By Balance	.. ..	10,000	0	0
Mar. 1	To Balance	.. ..	10,000	0	0						

## GOODWILL.

1892			£	s	d	1892			£	s	d
Jan. 1	To Capital Account	J. 1	2,000	0	0	Feb. 28	By Balance	.. ..	2,000	0	0
Mar. 1	To Balance	.. ..	2,000	0	0						

## FIXTURES.

1892			£	s	d	1892			£	s	d
Jan. 1	To Capital Account	J. 1	750	0	0	Feb. 28	By Balance	.. ..	750	0	0
Mar. 1	To Balance	.. ..	750	0	0						

## REFERENCE LIBRARY.

1892			£	s	d	1892			£	s	d
Jan. 1	To Capital Account	J. 1	250	0	0	Feb. 28	By Balance	.. ..	250	0	0
Mar. 1	To Balance	.. ..	250	0	0						

## "DICTIONARY OF CURRENT LITERATURE."

1892			£	s	d	1892			£	s	d
Jan. 1	To Capital Account	J. 1	200	0	0	Feb. 28	By Profit and Loss				
							Account	.. J. 5	50	0	0
							Balance	.. ..	150	0	0
			£200	0	0				£200	0	0
Mar. 1	To Balance	.. ..	150	0	0						

(Folio 2)

## PRIVATE LEDGER—Continued.

## CAPITAL ACCOUNT.

1892				£	s	d	1892				£	s	d
Jan. 1	To Sundries	..	J.1	476	0	0	Jan. 1	By Sundries	..	J.1	27,795	0	0
Feb. 28	" Balance	..	..	28,463	14	2	Feb. 28	" Profit and Loss Account	..	J.7	1,144	14	2
				£28,939	14	2					£28,939	14	2
							Mar. 1	By Balance	..	..	28,463	14	2

## CASH ACCOUNT.

1892				£	s	d	1892				£	s	d
Jan. 1	To Capital..	..	J.1	3,000	0	0	Jan. 1	By Sundries	..	J.6	470	10	0
Feb. 28	" Sundries	..	J.5	1,472	19	0	Feb. 28	" Balance	..	..	4,002	9	0
				£4,472	19	0					£4,472	19	0
Mar. 1	To Balance	..	..	4,002	9	0							

## B. BRAYBROOKE.

1892				£	s	d	1892				£	s	d
Jan. 5	To Cash ..	..	C.1	18	0	0	Jan. 1	By Capital	..	J.1	18	0	0
Feb. 28	" ditto ..	..	"	50	0	0	Feb. 28	" Sundries	..	J.5	55	0	0
"	" Balance	..	..	5	0	0					£73	0	0
				£73	0	0	Mar. 1	By Balance	..	..	5	0	0

## MESSRS. SUTTON &amp; Co.

1892				£	s	d	1892				£	s	d
Jan. 11	To Cash ..	..	C.1	65	0	0	Jan. 1	By Capital..	..	J.1	65	0	0

(Folio 8)

## PRIVATE LEDGER—Continued.

## PUBLICATION ACCOUNT.

1892			£	s	d	1892			£	s	d
Jan. 1	To Capital.. ..	J.1	500	0	0	Jan. 15	By Artist's Model..	J.3	202	0	0
"	" Author of <i>Day Dawn</i> ..	J.2	100	0	0	"	" Trading Acct..	"	63	10	0
Feb. 10	" Paper Account ..	J.4	44	0	0	Feb. 10	" Sundries ..	J.4	450	0	0
" 28	" Sundries ..	J.5	385	10	0	" 28	" Trading Acct..	"	119	10	0
							" Balance (Value of Books in progress) ..	..	194	10	0
			£1,029	10	0				£1,029	10	0
Mar. 1	To Balance .. ..	..	194	10	0						

## PAPER ACCOUNT.

1892			£	s	d	1892			£	s	d
Jan. 1	To Capital.. ..	J.1	35	0	0	Jan. 6	By Catalogues ..	J.2	5	0	0
Feb. 28	" Sundries ..	J.5	56	0	0	Feb. 10	" Sundries ..	J.4	56	0	0
						" 28	" Balance .. ..	..	30	0	0
			£91	0	0				£91	0	0
Mar. 1	To Balance .. ..	..	30	0	0						

## CATALOGUES ACCOUNT.

1892			£	s	d	1892			£	s	d
Jan. 6	To Paper Account ..	J.2	5	0	0	Feb. 10	By Author of <i>Bridegroom</i> ..	J.4	1	14	0
Feb. 28	" Sundries ..	J.5	20	0	0	" 28	" Profit and Loss ..	J.6	23	6	0
			£25	0	0				£25	0	0

## COMMISSION ACCOUNT.

1892			£	s	d	1892			£	s	d
Jan. 11	To Messrs. Robertson ..	J.2	35	0	0	Feb. 4	By Author of <i>Bridegroom</i> ..	J.3	1	6	0
" 13	" B. Mason ..	"	6	0	0	" 5	" ditto ..	J.4	20	0	0
Feb. 3	" ditto ..	J.3	26	0	0	" 10	" ditto ..	"	17	0	0
" 28	" B. Braybrooke ..	J.5	30	0	0	" 28	" Profit and Loss ..	J.6	58	14	0
			£97	0	0				£97	0	0

(Folio 4)

## PRIVATE LEDGER—Continued.

## ADVERTISING ACCOUNT.

1892			£	s	d	1892			£	s	d
Feb. 10	To Cash .. ..	I	17	0	0	Jan. 13	By B. Mason ..	J. 2	60	0	0
" 28	" Sundries ..	J. 5	37	10	0	Feb. 4	" Author of <i>Bride-</i>				
" "	" Profit and Loss	J. 7	178	10	0	" 5	" B. Mason ..	J. 3	13	0	0
									160	0	0
			£233	0	0				£233	0	0

## SALARIES.

1892			£	s	d	1892			£	s	d
Feb. 28	To B. Braybrooke	J. 5	25	0	0	Feb. 28	By Profit and Loss	J. 6	75	0	0
Jan. 31	" Cash .. ..	I	25	0	0						
Feb. 28	" ditto .. ..	I	25	0	0						
			£75	0	0				£75	0	0

## DISCOUNT AND INTEREST.

1892			£	s	d	1892			£	s	d
Feb. 28	To Sundries ..	J. 6	14	15	0	Feb. 28	By Sundries ..	J. 6	2	10	0
						"	" Profit and Loss	"	12	5	0
			£14	15	0				£14	15	0

## TRADING ACCOUNT.

1892			£	s	d	1892			£	s	d
Jan. 1	To Capital Account	J. 1	8,000	0	0	Jan. 6	By Cash .. ..	C. 1	48	0	0
" 15	" Publication Account	J. 3	63	10	0	" 8	" Consignment to				
Feb. 10	" Paper Account	J. 4	12	0	0	" 13	" Cash .. ..	J. 2	55	0	0
" "	" Publication Account	"	119	10	0	" 20	" ditto .. ..	I	56	0	0
" 28	" Author of <i>Bride-</i>	J. 5	40	0	0	" 27	" ditto .. ..	I	32	0	0
" "	" groom .. ..	"	15	0	0	Feb. 2	" ditto .. ..	I	55	0	0
" "	" W. Doyle ..	"	205	10	0	" 7	" ditto .. ..	I	43	0	0
" "	" Sundries ..	"	4	7	6	" 10	" Author of <i>Bride-</i>				
" "	" ditto .. ..	J. 6	960	9	2	" 27	" groom .. ..	J. 4	170	0	0
" "	" Profit and Loss	J. 7				" 14	" Cash .. ..	I	45	0	0
			£9,420	6	8	" 21	" ditto .. ..	I	25	0	0
						" 28	" ditto .. ..	I	35	0	0
						" "	" Sundries ..	J. 6	296	6	8
						" "	" Balance—Stock		8,500	0	0
							" on hand ..	"			
			£9,420	6	8				£9,420	6	8
Mar. 1	To Balance .. ..	"	8,500	0	0						

(Folio 5)

## PRIVATE LEDGER—Continued.

## PROFIT AND LOSS ACCOUNT.

1892				1892			
Feb. 28	To Sundries ..	J.5	£ 85 0 0	Feb. 28	By Telegram Code ..	J.5	£ 50 0 0
"	" ditto ..	J.6	169 5 0	"	" Sundries ..	J.7	1,348 19 2
"	" Capital ..	J.7	1,144 14 2				
			<u>£1,398 19 2</u>				<u>£1,398 19 2</u>

## BILLS PAYABLE.

1892				1892			
Jan. 5	To Cash ..	C.1	£ 18 0 0	Jan. 1	By Capital ..	J.1	£ 38 0 0
Feb. 28	" Balance ..	..	290 0 0	Feb. 28	" Sundries ..	J.6	270 0 0
			<u>£308 0 0</u>				<u>£308 0 0</u>
				Mar. 1	By Balance ..	..	290 0 0

(Folio 1)

## COPYRIGHT

"SMITH'S"

Date		Fo.	Composition	Copyright	Stereos & Moulds	Illustrations	Total
1892 Jan. 1	To Capital ..	J. 1	£ s d 100 0 0	£ s d 250 0 0	£ s d 50 0 0	£ s d 100 0 0	£ s d 500 0 0
			£100 0 0	£250 0 0	£50 0 0	£100 0 0	£500 0 0
Mar. 1	To Balance ..	..	95 0 0	237 10 0	47 10 0	95 0 0	475 0 0

"PETER"

Date		Fo.	Composition	Copyright	Stereos & Moulds	Illustrations	Total
1892 Jan. 1	To Capital ..	J. 1	£ s d ..	£ s d 150 0 0	£ s d 100 0 0	£ s d ..	£ s d 250 0 0
Feb. 28	" Profit & Loss	J. 7	..	50 0 0	..	..	50 0 0
			..	£200 0 0	£100 0 0	..	£300 0 0

"TELEGRAM"

Date		Fo.	Composition	Copyright	Stereos & Moulds	Illustrations	Total
1892 Jan. 1	To Capital ..	J. 1	£ s d 350 0 0	£ s d 350 0 0	£ s d 300 0 0	£ s d ..	£ s d 1,000 0 0
Feb. 28	" Profit & Loss	J. 5	17 10 0	17 10 0	15 0 0	..	50 0 0
			£367 10 0	£367 10 0	£315 0 0	..	1,050 0 0
Mar. 1	To Balance ..	..	367 10 0	367 10 0	315 0 0	..	1,050 0 0

## LEDGER.

## DICTIONARY."

Date		Fo.	Composition	Copyright	Stereos & Moulds	Illustrations	Total
1892 Feb. 28	By Profit & Loss " Balance ..	J. 5 ..	£ s d 5 0 0 95 0 0	£ s d 12 10 0 237 10 0	£ s d 2 10 0 47 10 0	£ s d 5 0 0 95 0 0	£ s d 25 0 0 475 0 0
			£100 0 0	£250 0 0	£50 0 0	£100 0 0	£500 0 0

## SIMPLE."

Date		Fo.	Composition	Copyright	Stereos & Moulds	Illustrations	Total
1892 Jan. 12	By G. Bell & Son	J. 2	£ s d ..	£ s d 200 0 0	£ s d 100 0 0	£ s d ..	£ s d 300 0 0
			..	£200 0 0	£100 0 0	..	£300 0 0

## CODE."

Date		Fo.	Composition	Copyright	Stereos & Moulds	Illustrations	Total
1892 Feb. 28	By Balance ..	..	£ s d 367 10 0	£ s d 367 10 0	£ s d 315 0 0	£ s d ..	£ s d 1,050 0 0
			£367 10 0	£367 10 0	£315 0 0	..	£1,050 0 0

(Folio 2)

## COPYRIGHT

"ADAM

Date		Fo.	Composition	Copyright	Stereos & Moulds	Illustrations	Total
1892			£ s d	£ s d	£ s d	£ s d	£ s d
Jan. 1	To Capital ..	J. 1	..	100 0 0	100 0 0	..	200 0 0
				£100 0 0	£100 0 0	..	£200 0 0
Mar. 1	To Balance ..	..	..	95 0 0	95 0 0	..	190 0 0

"ARTIST'S

Date		Fo.	Composition	Copyright	Stereos & Moulds	Illustrations	Total
1892			£ s d	£ s d	£ s d	£ s d	£ s d
Jan. 5	To Publication Account ..	J. 3	..	157 0 0	45 0 0	..	202 0 0
Mar. 1	To Balance ..	..	..	157 0 0	45 0 0	..	202 0 0

"DAY

Date		Fo.	Composition	Copyright	Stereos & Moulds	Illustrations	Total
1892			£ s d	£ s d	£ s d	£ s d	£ s d
Feb. 10	To Publication Account ..	J. 4	108 0 0	100 0 0	40 0 0	..	248 0 0
" 28	" Profit & Loss	J. 7	..	100 0 0	..	..	100 0 0
			£108 0 0	£200 0 0	£40 0 0	..	£348 0 0
Mar. 1	To Balance ..	..	108 0 0	100 0 0	40 0 0	..	248 0 0

"THE

Date		Fo.	Composition	Copyright	Stereos & Moulds	Illustrations	Total
1892			£ s d	£ s d	£ s d	£ s d	£ s d
Feb. 10	To Publication Account ..	J. 4	157 0 0	..	45 0 0	..	202 0 0
Mar. 1	To Balance ..	..	157 0 0	..	45 0 0	..	202 0 0

## LEDGER—Continued.

## BEDE."

Date		Fo.	Composition	Copyright	Stereos & Moulds	Illustrations	Total
1892 Feb. 28	By Profit & Loss " Balance ..	J.5 ..	£ s d .. ..	£ s d 5 0 0 95 0 0	£ s d 5 0 0 95 0 0	£ s d .. ..	£ s d 10 0 0 190 0 0
				£100 0 0	£100 0 0	..	£200 0 0

## MODEL."

Date		Fo.	Composition	Copyright	Stereos & Moulds	Illustrations	Total
1892 Feb. 28	By Balance ..	..	£ s d .. ..	£ s d 157 0 0	£ s d 45 0 0	£ s d .. ..	£ s d 202 0 0

## DAWN."

Date		Fo.	Composition	Copyright	Stereos & Moulds	Illustrations	Total
1892 Feb. 28	By M. Marques " Balance ..	J.3 ..	£ s d .. .. 108 0 0	£ s d 100 0 0 100 0 0	£ s d .. .. 40 0 0	£ s d .. ..	£ s d 100 0 0 248 0 0
			£108 0 0	£200 0 0	£40 0 0	..	£348 0 0

## BARGEMAN."

Date		Fo.	Composition	Copyright	Stereos & Moulds	Illustrations	Total
1892 Feb. 28	By Balance ..	..	£ s d 157 0 0	£ s d .. ..	£ s d 45 0 0	£ s d .. ..	£ s d 202 0 0

### AUTHORS' LEDGER.

<sup>1892</sup>				<sup>f s d</sup>	<sup>1892</sup>				<sup>f s d</sup>
Feb. 28	To Balance .. .. .			<u>5 0 0</u>	Jan. 1	By Capital .. .. .	J. 1		<u>5 0 0</u>
					Mar. 1	By Balance .. .. .			5 0 0

1892 Feb. 28	To Balance .. ..	£ s d 10 0 0	1892 Jan. 1	By Capital .. ..	£ s d 10 0 0
			Mar. 1	By Balance .. ..	10 0 0

1892 Feb. 28	To Balance .. ..	£ s d 10 0 0	1892 Jan. 1	By Capital .. ..	£ s d 10 0 0
			Mar. 1	By Balance .. ..	10 0 0

1892				1892			
Jan. 2	To Cash .. ..	C.I.	£ s d	Jan. 1	By Publication Account .. ..	J.2	£ s d
Feb. 28	" Balance .. ..	..	50 0 0				100 0 0
			50 0 0				£100 0 0
			£100 0 0				
				Mar. 1	By Balance .. ..	..	50 0 0

1892 Feb. 28	To Balance .. ..	£ s d 15 0 0	1892 Feb. 28	By Trading Account J. 5	£ s d 15 0 0
			Mar. 1	By Balance .. ..	15 0 0

1892				£	s	d	1892				£	s	d
Feb. 4	To Sundries ..	J.3	14	6	0		Jan. 3	By Cash ..	I	5	0	0	
" 15	" Commission Ac-	J	20	0	0		Feb. 5	" B. Mason ..	J.3	100	0	0	
" 10	" count ..	"	187	0	0		" 28	" Trading Account	J.5	40	0	0	
" 10	" Sundries ..	"	1	14	0		" 6	" Cash ..	I	13	4	0	
" "	" Catalogue Acct.	"	30	4	0		" 19	" ditto ..	I	50	0	0	
" 28	" Balance ..	..											
			£253	4	0						£253	4	0
							Mar. 1	By Balance ..	..	..	30	4	0

(Folio 1)

## BOUGHT LEDGER.

B. MASON.

1892			£	s	d	1892			£	s	d
Jan. 1	To Capital .. ..	J. 1	50	0	0	Feb. 25	By Cash .. ..	C. 1	50	0	0
" 13	" Advertising Ac-					Jan. 13	" Commission Ac-				
	count .. ..	J. 2	60	0	0		count .. ..	J. 2	6	0	0
Feb. 5	" Sundries .. ..	J. 3	260	0	0	Feb. 15	" ditto .. ..	J. 3	26	0	0
						" 28	" Balance .. ..		288	0	0
			£370	0	0				£370	0	0
Mar. 1	To Balance .. ..		288	0	0						

## BUTLER &amp; TANNER.

1892			£	s	d	1892			£	s	d
Jan. 20	To Cash .. ..	C. 1	120	0	0	Jan. 1	By Capital .. ..	J. 1	120	0	0
Feb. 18	" Bills Payable ..	I	120	0	0	" 22	" Goods .. ..	I	168	0	0
" 28	" Balance .. ..		198	0	0	" 25	" ditto .. ..	I	150	0	0
			£438	0	0				£438	0	0
Mar. 1	By Balance .. ..								198	0	0

## " SATURDAY REVIEW."

1892			£	s	d	1892			£	s	d
Jan. 20	To Cash .. ..	C. 1	25	0	0	Jan. 1	By Capital .. ..	J. 1	25	0	0
Feb. 28	" Balance .. ..		10	0	0	Feb. 4	" Goods .. ..	I	10	0	0
			£35	0	0				£35	0	0
Mar. 1	By Balance .. ..								10	0	0

## " ATHENÆUM."

1892			£	s	d	1892			£	s	d
Jan. 20	To Cash .. ..	C. 1	10	0	0	Jan. 1	By Capital .. ..	J. 1	10	0	0
Feb. 28	" Balance .. ..		14	10	0	Feb. 4	" Goods .. ..	I	14	10	0
			£24	10	0				£24	10	0
Mar. 1	By Balance .. ..								14	10	0

## SPICER BROS.

1892			£	s	d	1892			£	s	d
Feb. 17	To Cash .. ..	C. 1	47	10	0	Jan. 1	By Capital .. ..	J. 1	50	0	0
" 28	" Discount .. ..	"	2	10	0	" 9	" Goods .. ..	I	56	0	0
	" Balance .. ..		56	0	0				£106	0	0
			£106	0	0				£106	0	0
Mar. 1	By Balance .. ..								56	0	0

(Folio 2)

BOUGHT LEDGER—*Continued.*

## SMITH BROS.

1892			£	s	d	1892			£	s	d
Feb. 28	To Balance .. ..	..	68	10	0	Jan. 1	By Capital .. ..	J. I	25	0	0
						Feb. 8	" Goods .. ..		43	10	0
			68	10	0				£68	10	0
						Mar. 1	By Balance .. ..		68	10	0

## CLAY &amp; Co.

1892			£	s	d	1892			£	s	d
Feb. 28	To Balance .. ..	..	100	0	0	Jan. 1	By Capital .. ..	I	100	0	0
						Mar. 1	y Balance .. ..		100	0	0

## M. MARQUES.

1892			£	s	d	1892			£	s	d
Feb. 2	To Day Dawn .. J.		100	0	0	Feb. 2	By Cash .. ..	C. I	100	0	0

## MESSRS. G. BELL &amp; SON.

1892			£	s	d	1892			£	s	d
Jan. 12	To Peter Simple .. J. 2		300	0	0	Jan. 13	By Cash .. ..	C. I	300	0	0

## MESSRS. CLOWES &amp; SON.

1892			£	s	d	1892			£	s	d
Feb. 23	To Bills Payable .. I		150	0	0	Jan. 6	By Goods .. ..	I	20	0	0
" 28	" Balance .. ..	..	99	10	0	" 13	" " .. ..	I	7	10	0
						" 26	" " .. ..	I	222	0	0
			£249	10	0				£249	10	0
						Mar. 1	To Balance .. ..		99	10	0

(Folio 3)

BOUGHT LEDGER—*Continued.*

## "PUBLISHERS' CIRCULAR."

1892			£	s	d	1892			£	s	d
Feb. 28	To Balance .. ..		13	0	0	Feb. 4	By Goods .. ..	1	13	0	0
						Mar. 1	By Balance .. ..		13	0	0

(Folio 1)

## TRADE LEDGER.

## CONSIGNMENT TO MELBOURNE.

1892			£	s	d	1892			£	s	d
Jan. 1	To Capital ..	J. 1	250	0	0	Jan. 11	By Messrs. Robert-son ..	J. 2	310	0	0
" 8	" Trading Account	J. 2	55	0	0	Feb. 28	" Balance ..		55	0	0
Feb. 28	" Profit and Loss ..	J. 7	60	0	0						
			£365	0	0				£365	0	0
Mar. 1	To Balance ..		55	0	0						

## J. WARD.

1892			5 %			Net			1892						
Jan. 1	To Capital ..	J. 1	£	s	d	£	s	d	Jan. 6	By Cash ..	..	C. 1	£	s	d
" 6	" Goods ..	1	180	0	0				" Discount	..	..		171	0	0
" 12	" ditto ..	1	3	0	0				" Balance	..	..		9	0	0
Feb. 16	" ditto ..	2	65	1	8				Feb. 28				76	16	8
			8	15	0										
			<u>£256 16 8</u>										<u>£256 16 8</u>		
Mar. 1	To Balance..	..	76	16	8										

## W. SMITH.

1892			5 % d			Net			1892			£ s d			
Jan. 1	To Capital ..	J. 1	£	s	d	£	s	d	Jan. 10	By Cash ..	..	C. 1	£	s	d
" 10	" Goods ..	1	130	0	0				" 10	" Discount	..	"	125	0	0
" 19	" ditto 10%	1				19	5	0	" 19	" Returns	..	"	5	0	0
Feb. 13	" ditto 10%	2	35	0	0				Feb. 28	" Balance	..	..	4	7	6
" 16	" ditto ..	2	47	18	4								106	10	10
			8	15	0										
			221	13	4	19	5	0							
						221	13	4							
						£240	18	4					£240	18	4
Mar. 1	To Balance..	..	91	13	4	14	17	6							

(Folio 2)

## TRADE LEDGER—Continued.

## EDUCATIONAL TRADING CO.

1892			5 %	Net	1892			
Jan. 1	To Capital ..	J. 1	£ s d	£ s d	Jan. 4	By Cash ..	C. 1	£ s d
" 4	" Goods ..	I	25 0 0		Feb. 28	" Discount ..	..	14 15 0
			10 10 0			" Balance ..	..	15 0 0
			<u>£35 10 0</u>					<u>20 0 0</u>
Mar. 1	To Balance ..	..	20 0 0					<u>£35 10 0</u>

## W. MENZIES.

1892			5 %	Net	1892			
Jan. 1	To Capital ..	J. 1	£ s d	£ s d	Jan. 1	By Cash ..	C. 1	£ s d
" 11	" Goods ..	I	250 0 0	33 0 0	Feb. 28	" Balance ..	..	150 0 0
" 19	" ditto ..	I	14 11 8					177 11 8
	" ditto ..	I	30 0 0					
			<u>294 11 8</u>	<u>33 0 0</u>				
				<u>294 11 8</u>				
				<u>£327 11 8</u>				<u>£327 11 8</u>
Mar. 1	To Balance ..	..	144 11 8	33 0 0				

## J. DARTER.

1892			5 %	Net	1892			
Jan. 1	To Capital ..	J. 1	£ s d	£ s d	Jan. 3	By Cash ..	C. 1	£ s d
" 3	" Goods ..	I	75 0 0		Feb. 28	" Balance ..	..	50 0 0
Feb. 14	" ditto 0/5	2	3 0 0					45 10 0
			17 10 0					
			<u>£95 0 0</u>					<u>£95 10 0</u>
Mar. 1	To Balance ..	..	45 10 0					

## MESSRS. ROBERTSON.

1892			5 %	Net	1892			
Jan. 1	To Capital ..	J. 1	£ s d	£ s d	Jan. 11	By Commission		£ s d
" 11	" Consign-		150 0 0		Feb. 28	Account ..	J. 2	35 0 0
	ment Ac-	J. 2	..	310 0 0		" Balance ..	..	425 0 0
	count ..							
			<u>150 0 0</u>	<u>310 0 0</u>				
				<u>150 0 0</u>				
				<u>£460 0 0</u>				<u>£460 0 0</u>
Mar. 1	To Balance ..	..	115 0 0	310 0 0				

## TRIAL BALANCE SHEET.

	Dr.	Cr.	Dr. Balance	Cr. Balance
<b>PRIVATE LEDGER.</b>	£ s d	£ s d	£ s d	£ s d
Business Premises ..	10,000 0 0	..	10,000 0 0	
Goodwill .. ..	2,000 0 0	..	2,000 0 0	
Fixtures .. ..	750 0 0	..	750 0 0	
Reference Library ..	250 0 0	..	250 0 0	
<i>Dictionary Current Lit.</i> ..	200 0 0	50 0 0	150 0 0	
Capital .. ..	476 0 0	27,795 0 0	..	27,219 0 0
Cash .. ..	4,472 19 0	470 10 0	4,002 9 0	
B. Braybrooke .. ..	68 0 0	73 0 0	..	5 0 0
Sutton & Co. .. ..	65 0 0	65 0 0		
Publication Account ..	1,029 10 0	835 0 0	194 10 0	
Paper .. ..	91 0 0	61 0 0	30 0 0	
Catalogues .. ..	25 0 0	1 14 0	23 6 0	
Commission .. ..	97 0 0	38 6 0	58 14 0	
Advertising .. ..	54 10 0	233 0 0	..	178 10 0
Salaries .. ..	75 0 0	..	75 0 0	
Interest and Discount ..	14 15 0	2 10 0	12 5 0	
Trading Account .. ..	8,459 17 6	920 6 8	7,539 10 10	
Profit and Loss .. ..	85 0 0	50 0 0	35 0 0	
Bills Payable .. ..	18 0 0	308 0 0	..	290 0 0
	£28,231 11 6	£30,903 6 8	£25,120 14 10	£27,792 10 0
<b>BOUGHT LEDGER.</b>	£ s d	£ s d	£ s d	£ s d
B. Mason .. ..	370 0 0	82 0 0	288 0 0	
Butler & Tanner .. ..	240 0 0	438 0 0	..	198 0 0
<i>Saturday Review</i> .. ..	25 0 0	35 0 0	..	10 0 0
<i>Athenæum</i> .. ..	10 0 0	24 10 0	..	14 10 0
Spicer .. ..	50 0 0	106 0 0	..	56 0 0
Smith .. ..	..	68 10 0	..	68 10 0
Clay .. ..	..	100 0 0	..	100 0 0
M. Marques .. ..	100 0 0	100 0 0		
Bell & Son .. ..	300 0 0	300 0 0		
Clowes .. ..	150 0 0	249 10 0	..	99 10 0
<i>Publishers' Circular</i> ..	..	13 0 0	..	13 0 0
	£1,245 0 0	£1,516 10 0	£288 0 0	£559 10 0
<b>COPYRIGHT LEDGER.</b>	£ s d	£ s d	£ s d	£ s d
<i>Smith's Dictionary</i> ..	500 0 0	25 0 0	475 0 0	
<i>Peter Simple</i> .. ..	250 0 0	300 0 0	..	50 0 0
<i>Telegram Code</i> .. ..	1,050 0 0	..	1,050 0 0	
<i>Adam Bede</i> .. ..	200 0 0	10 0 0	190 0 0	
<i>Artist's Model</i> .. ..	202 0 0	..	202 0 0	
<i>Day Dawn</i> .. ..	248 0 0	100 0 0	148 0 0	
<i>Bargeman</i> .. ..	202 0 0	..	202 0 0	
	£2,652 0 0	£435 0 0	£2,267 0 0	£50 0 0
<b>AUTHORS' LEDGER.</b>	£ s d	£ s d		£ s d
H. Ainsworth .. ..	..	5 0 0	..	5 0 0
P. Shelley .. ..	..	10 0 0	..	10 0 0
O. Goldsmith .. ..	..	10 0 0	..	10 0 0
A. Dumas .. ..	50 0 0	100 0 0	..	50 0 0
W. Doyle .. ..	..	15 0 0	..	15 0 0
Author of <i>Bridegroom</i> ..	223 0 0	253 4 0	..	30 4 0
	£273 0 0	£393 4 0		£120 4 0

## TRIAL BALANCE SHEET.—(Continued.)

	Dr.			Cr.			Dr. Balance			Cr. Balance		
TRADE LEDGER.	£	s	d	£	s	d	£	s	d	£	s	d
Consignment to Melbourne	305	0	0	310	0	0	..	..	..	5	0	0
J. Ward .. ..	256	16	8	180	0	0	76	16	8			
W. Smith .. ..	240	18	4	134	7	6	106	10	10			
Educational Trading Co..	35	10	0	15	10	0	20	0	0			
W. Menzies .. ..	327	11	8	150	0	0	177	11	8			
J. Darter .. ..	95	10	0	50	0	0	45	10	0			
Robertson .. ..	460	0	0	35	0	0	425	0	0			
	£1,721	6	8	£874	17	6	£851	9	2	£5	0	0

## SUMMARY OF TRIAL BALANCE SHEETS.

	Dr.			Cr.			Dr. Balance			Cr. Balance		
	£	s	d	£	s	d	£	s	d	£	s	d
Private Ledger .. ..	28,231	11	6	30,903	6	8	25,120	14	10	27,792	10	0
Bought Ledger .. ..	1,245	0	0	1,516	10	0	288	0	0	559	10	0
Copyright Ledger .. ..	2,652	0	0	435	0	0	2,267	0	0	50	0	0
Authors' Ledger .. ..	273	0	0	393	4	0	..	..	..	120	4	0
Trade Ledger.. ..	1,721	6	8	874	17	6	851	9	2	5	0	0
Agreeing with Journal ..	£34,122	18	2	£34,122	18	2	£28,527	4	0	£28,527	4	0

## BALANCE SHEET.

LIABILITIES.		ASSETS		
	£ s d		£ s d	
<i>To Sundry Creditors on Open Accounts—</i>				
Almsworth ..	5 0 0	By Business Premises ..	10,000 0 0	
Shelley ..	10 0 0	" Goodwill ..	2,000 0 0	
Goldsmith ..	10 0 0	" Fixtures ..	750 0 0	
Dumas ..	50 0 0	" Reference Library ..	250 0 0	13,000 0 0
Doyle ..	15 0 0	" Copyrights, &c., as under—		
Author of <i>Bridegroom</i> ..	30 4 0	<i>Artist's Model</i> ..	202 0 0	
B. Braybrooke ..	5 0 0	<i>Day Dawn</i> ..	248 0 0	
Butler & Tanner ..	198 0 0	<i>Bargeman</i> ..	202 0 0	
<i>Saturday Review</i> ..	10 0 0	<i>Smith's Dictionary</i> ..	475 0 0	
<i>Athenæum</i> ..	14 10 0	<i>Telegram Code</i> ..	1,050 0 0	
Spicer ..	56 0 0	<i>Adam Bede</i> ..	190 0 0	
Smith ..	68 10 0	Value of Books in progress ..	194 10 0	2,367 0 0
Clay ..	100 0 0	" Value of Paper on hand ..	30 0 0	
Clowes ..	99 10 0	" Value of Stock on hand ..	8,500 0 0	
<i>Publishers' Circular</i> ..	13 0 0	Dictionary of Current Literature ..	..	
<i>To Sundry Creditors on Bills Payable</i> ..	684 14 0	" Cash on hand ..	150 0 0	8,724 10 0
" Capital ..	28,465 14 2	" Sundry Debtors on Open Accounts, viz.—	4,002 9 0	
		Mason ..	288 0 0	
		Ward ..	76 16 8	
		Smith ..	106 10 10	
		Educational Trading Company ..	20 0 0	
		Menzies ..	177 11 8	
		Darier ..	45 10 0	
		Robertson ..	425 0 0	
		Consignment Account ..	55 0 0	
			1,194 9 2	
			£29,438 8 2	

## PROFIT AND LOSS STATEMENT.

LOSSES.		GAINS.	
	£ s d		£ s d
To Depreciation on—		By Appreciation on Telegram Code .. ..	.. ..
<i>Smith's Dictionary</i> .. ..	25 0 0	<i>Profit on Advertising</i> .. ..	178 10 0
<i>Adam Bede</i> .. ..	10 0 0	<i>Profit on Leases and Sales of Copyright</i> .. ..	150 0 0
<i>Dictionary of Current Literature</i> .. ..	50 0 0	<i>Profit on Trading</i> .. ..	1,020 9 2
<i>Expenses, viz. :—</i>			
Catalogues .. ..	23 6 0		
Salaries .. ..	75 0 0		
<i>Interest, Commission, and Discount</i> .. ..	70 19 0		
<i>Net Profit</i> .. ..	1,144 14 2		
	£1,398 19 2		£1,398 19 2

PART III.



COPYRIGHT



## PART III.

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### COPYRIGHT.

DEFINITION OF LITERARY PROPERTY—PECULIARITY OF ITS NATURE—AS A  
MONOPOLY—CIRCUMSTANCES WHICH AFFECT ITS VALUE—LEGAL  
CONSIDERATIONS.

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LITERARY property has been defined as a product of intellectual activity, and consists in the right of any author to any benefit derivable from the results of such activity, just in the same manner as a right is acquired in property which is the result of physical labour. This right consists not only in the fact that the author can part with or assign it, but also in the possession of the exclusive privilege of printing or multiplying for sale copies of his work, whether it be literary or artistic. It is in virtue of this latter privilege that the contradistinction arises between copyright and any material property, as a manuscript which has not been printed is regarded as a material property, and is amenable to the same laws respecting possession. The difficulty in dealing with copyright as a property arises from its intangible nature, as there is nothing in common between a given representation

of ideas and any material thing, consequently the ordinary *criteria* applied to possession and occupancy are not applicable. Hence the need of some special protection for this species of property was early realised, although it was not until the reign of Queen Anne that the first Copyright Act of England was passed, whereby authors were given the sole right and liberty of printing for a period of twenty-one years. This statute gave rise to a certain amount of discussion, as it was contended by certain high authorities that a monopoly was thereby created in favour of the author. On the other hand, some were of opinion that the term of twenty-one years was inadequate, and that the right should be rendered perpetual. Against this it was urged that the benefits of the community were entitled to consideration as well as those of the author, and that an indefinite extension of the right would mean that the community as a whole would suffer. Furthermore, all men did not write for gain, but were influenced by other motives, such as ambition.

However, as a sort of compromise between these extreme views, an Act was passed in the reign of George III. whereby the term of duration was lengthened another fourteen years, subject to the author being alive, and the penalty of infringement was raised 2d. per sheet. A subsequent re-awakening of the question, however, led up to the passing of the Copyright Act of July 1st 1842, which is still in force.

The considerations entering into the valuation of copyright are by no means so simple as is generally supposed, and although supply and demand in the main govern the value, the criterion as to the labour and money expended in the production affecting the value does not apply.

Prior, however, to examining the question, it is necessary to briefly recapitulate a few legal considerations, as the value, from a publisher's standpoint, is often affected by them, and oversights frequently occur by which items figure on the Balance Sheet as an asset which are in reality the property of an author.

Ideas, in themselves, are common property—it is not until they have been arranged and fixed in some definite succession and a record made of them that a right arises. And this right owes its existence to the fact that it is not in the nature of things that two men should think out, discuss or describe a thing in precisely the same terms, but that an individuality pervades all literary composition. The mere ideas are not sufficient to create a right—they must be recorded in some way or other. The idea of value becomes superadded when these ideas are rendered public by the multiplication of copies, but this act of publication does not affect the property right, the author being still at liberty to dispose of or assign it.

It is not the subject chosen nor even the sentiment which confer copyright, but originality of treatment. Subjects which have already been dealt with can again be utilised provided new considerations are introduced, or a new definite plan of treatment, or an adaptation to an entirely new purpose.

A copyright exists also in cases of genuine abridgments, in spite of the sale of the original work being injured thereby. To determine the line of demarcation between an abridgment and a servile copy or imitation is not always an easy matter, but the general import and meaning of the entire work must be reproduced, and the deletions must be made proportionately. Mere excisions *en bloc* do not constitute a genuine abridgment.

Translations of works from the dead languages, or of a book written in Latin by an Englishman, or from works in modern European languages, are copyright.

With regard to new editions of the same book, the author is not entitled to any new copyright unless some substantial additions have been made to the original, *i.e.*, something more than the addition of unimportant notes or textual alterations.

No assignment of copyright is valid unless it is in writing and has been attested by two credible witnesses.

A book may be lawfully printed and published in this country when it has already appeared abroad, provided that

the author has not already secured himself by doing so, and a foreign author may acquire a British copyright by first publishing his book in the United Kingdom.

Communications sent to the editor of any periodical, for the purpose (implied or expressed) of publication, provided payment has actually been made for such publication, become the property of such editor.

Copyright is not assignable by the publisher in the case where the book is brought out at the publisher's expense and which expense is repayable out of the profits of sale and the remaining profits equally divisible—that is to say, the publisher could not dispose of the right of publication to another.

If a publisher become bankrupt copyright passes to the trustee in bankruptcy or to the liquidator, not, however, if the whole sum payable in respect of such copyright has not been paid; the copyright of a book printed and published passes to the creditors of an author. The sale of stereotyped plates does not carry with it the right to print and publish.

Reverting to the question of the valuation of copyright an important distinction must be made at the outset, namely, the division into *competitive* and *non-competitive* copyright. By a competitive copyright is meant the right existing in such books as children's story books, prize, colour and gift books,

second and third rate novels, and books generally by authors of little repute.

On the contrary a non-competitive copyright is one existing in the case of a work by a well-known author, and where no inducement in the way of special discounts are necessary in order that a market may be made.

In short, the latter class of copyright approaches more closely to the idea of a monopoly than the former, in that a special limitation is attached to the supply, namely, that the special privilege of production rests in the hands of an individual who can, with more or less disregard of the relation subsisting between cost of production and published price, according as his reputation is good or second-rate, attach a special price to the article.

Hence, on this consideration alone, the value of a copyright of the second category is much greater than one of the former class, and in assessing such value, this is the first point necessary to be determined. A novel "A." does not compete with a novel "B." where both are by authors of repute; the bookseller cannot afford to take "A." and refuse "B." for the consideration of an extra 5 per cent.

But, to take the case of a prize or colour book, to the average purchaser it is a matter of complete indifference which

one is taken; and the consideration of an extra 5 per cent. with the bookseller will lead him to push one in preference to another. The laws of supply, demand, and ordinary competition are in full force with regard to copyright of the first category, but the competitive influences are minimised with regard to the second.

This primary consideration, however, requires to be supplemented by another important one, viz., the position and reputation of the author. This at first sight looks almost the same as the consideration of supply and demand: And so it is, when a book has been published and actual figures exist, which form a guide to the valuer. But it is a question for independent consideration when a valuation becomes necessary before actual publication.

The supreme criterion by which the value is gauged, however, is the sale the book has had or is having, and the Bound Stock Book is, as a rule, a fairly correct guide as to the current value of a book; at the same time, the indications of this book must be tempered with the indications of the Day Book as to the price at which it is being sold, *i.e.*, whether it is being offered to the trade at half-price, or on other special terms.

It is to this particular point, in connection with copyright valuation, that the attention of accountants and auditors

should be directed, as it is a very common method of exaggerating the state of affairs by representing the current value of a book at a given figure, on the basis of the sales alone, regardless of the fact that it is almost being given away. There is, of course, no absolute rule of thumb by which this class of asset can be gauged, but the careful comparison of a few Day Book entries with the items in the Copyright Ledger and Stock Book acts as a useful check to any over-stepping of the mark.

To sum up, the points to be tested in connection with the value of copyright are as follows :—

1. The term of the right and in whom vested.
2. Past and present demand.
3. Whether competitive or non-competitive.
4. Reputation of author.
5. Actual selling price of the book.

Added to which may be mentioned such special circumstances as occasionally arise, to afford some justification for *appreciating* the value, *i.e.*, to carry up to the debit of the book in the Copyright Ledger a specific value, over and above the actual cost of production.

Depreciation is written off once a year at the annual balance, and appreciation debited at the same intervals or when necessary, at times prior to actual sale of copyright and

plant. (*Cf.* instance given in worked example and text.) By the time the duration of the copyright has expired, this asset should have been depreciated to *nil*. Thus, the term of the right and in whom vested form very important considerations; and a sufficient extract here follows of the Act which, coupled with the foregoing explanations, will suffice for the ordinary requirements of auditors and accountants. An exhaustive treatment has been accorded to the legal aspect of this subject by the author of the *Law of Copyright*, published by Messrs. Stevens & Haynes, to which work the reader is referred.

5 & 6 VICT. c. 45.

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AN ACT TO AMEND THE LAW OF COPYRIGHT.

(1st July 1842.)

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II.—In the construction of this Act the word “book” shall be construed to mean and include every volume, part or division of a volume, pamphlet, sheet of letterpress, sheet of music, map, chart or plan separately published; that the words “dramatic piece” shall be construed to mean and include every tragedy, comedy, play, opera, farce or other scenic, musical or dramatic entertainment; that the word

“copyright” shall be construed to mean the sole and exclusive liberty of printing or otherwise multiplying copies of any subject to which the said word is herein applied ; that the words “personal representative” shall be construed to mean and include every person in whom the interest of an author in copyright shall be vested, whether derived from such author before or after the publication of any book, and whether acquired by sale, gift, bequest or by operation of law or otherwise.

III.—That the copyright in every book which shall after the passing of this Act be published in the lifetime of its author shall endure for the natural life of such author and for the further term of seven years commencing at the time of his death, and shall be the property of such author and his assigns : Provided always that if the said term of seven years shall expire before the end of forty-two years from the first publication of such book, the copyright in that case shall endure for such period of forty-two years ; and that the copyright in every book which shall be published after the death of its author shall endure for the term of forty-two years from the first publication thereof, and shall be the property of the proprietor of the author’s manuscript from which such book shall be first published, and his assigns.

V.—And whereas it is expedient to provide against the suppression of books of importance to the public, be it enacted,

W. R. O. L.

That it shall be lawful for the Judicial Committee of Her Majesty's Privy Council, on complaint made to them that the proprietor of the copyright in any book after the death of its author has refused to republish or to allow the republication of the same, and that by reason of such refusal such book may be withheld from the public, to grant a licence to such complainant to publish such book in such manner and subject to such conditions as they may think fit, and that it shall be lawful for such complainant to publish such book according to such licence.

XV.—And be it enacted, That if any person shall, in any part of the British dominions, after the passing of this Act print or cause to be printed either for sale or exportation any book in which there shall be subsisting copyright without the consent in writing of the proprietor thereof, or shall import for sale or hire any such book, so having been unlawfully printed, from parts beyond the sea, or knowing such book to have been so unlawfully printed or imported, shall sell, publish or expose to sale or hire, or shall have in his possession for sale or hire any such book so unlawfully printed or imported without such consent as aforesaid, such offender shall be liable to a special action on the case at the suit of the proprietor of such copyright, to be brought in any Court of record in that part of the British dominions in which the offence shall be committed.

XVII.—And be it enacted, That after the passing of this Act it shall not be lawful for any person, not being the proprietor of the copyright or some person authorised by him, to import into any part of the United Kingdom or into any other part of the British dominions, for sale or hire, any printed book first composed or written or printed and published in any part of the said United Kingdom, wherein there shall be copyright, and reprinted in any country or place whatsoever out of the British dominions: and if any person, not being such proprietor or person authorised as aforesaid, shall import or bring or cause to be imported or brought for sale or hire any such printed book into any part of the British dominions contrary to the true intent and meaning of this Act, or shall knowingly sell, publish, or expose to sale or hire any such book, then every such book shall be forfeited and shall be seized by any officer of customs or excise, and the same shall be destroyed by such officer, and every person so offending, being duly convicted thereof before two Justices of the Peace for the county or place in which such book shall be found, shall also for every such offence forfeit the sum of ten pounds, and double the value of every copy of such book which he shall so import or cause to be imported into any part of the British dominions, or shall knowingly sell, publish or expose to sale or let to hire, or shall cause to be sold, published or exposed to sale or let to

hire, or shall have in his possession for sale or hire contrary to the true intent and meaning of this Act; five pounds to the use of such officer of customs or excise, and the remainder of the penalty to the use of the proprietor of the copyright in such book.

XVIII.—And be it enacted, That when any publisher or other person shall before or at the time of the passing of this Act have projected, conducted and carried on, or shall hereafter project, conduct and carry on or be the proprietor of any encyclopædia, review, magazine, periodical work, or work published in a series of books or parts, or any book whatsoever, and shall have employed or shall employ any persons to compose the same, or any volumes, parts, essays, articles or portions thereof, for publication in or as part of the same, and such work, volumes, parts, essays, articles or portions shall have been or shall hereafter be composed under such employment, on the terms that the copyright therein shall belong to such proprietor, projector, publisher or conductor, and paid for by such proprietor, projector, publisher or conductor, the copyright in every such encyclopædia, review, magazine, periodical work, and work published in a series of books or parts, and in every volume, part, essay, article and portion so composed and paid for, shall be the property of such proprietor, projector, publisher or other conductor, who shall enjoy the same rights as if he were the actual author thereof,

and shall have such term of copyright therein as is given to authors of books by this Act, except only that in the case of essays, articles, or portions forming part of and first published in reviews, magazines, or other periodical works of like nature, after the term of twenty-eight years from the first publication thereof respectively the right of publishing the same in a separate form shall revert to the author for the remainder of the term given by this Act: Provided always that during the term of twenty-eight years the said proprietor, projector, publisher or conductor shall not publish any such essay, article or portion separately or singly without the consent previously obtained of the author thereof or of his assigns: Provided also that nothing herein contained shall alter or affect the right of any person who shall have been or who shall be so employed as aforesaid to publish any such his composition in a separate form who by any contract, express or implied, may have reserved or may hereafter reserve to himself such right; but every author reserving, retaining or having such right shall be entitled to the copyright in such composition when published in a separate form, according to this Act, without prejudice to the right of such proprietor, projector, publisher or conductor as aforesaid.

XXV.—And be it enacted, That all copyright shall be deemed personal property, and shall be transmissible by bequest, or, in case of intestacy, shall be subject to the same

law of distribution as other personal property, and in Scotland shall be deemed to be personal and movable estate.

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Under the Berne Convention, Great Britain, Germany, Belgium, Spain, France, Haiti, Switzerland, and Tunis are constituted into a union for the protection of the rights of authors over their literary works. Authors of any of the countries of the union or their lawful representatives enjoy in the *other countries* for their works the rights which the respective laws do now or may hereafter grant to natives. The country or origin of the work is that in which the work is first published, or, if published simultaneously in several countries of the union, that one of them in which the shortest term of protection is granted by law: Authorised translations are protected as original works, and authors shall enjoy in other countries of the union the exclusive right of making or authorising the translation of their works until the expiration of ten years from the publication of the original work in one of the countries of the union.

Articles from newspapers or periodicals may be reproduced in original or in translation in the other countries of the union, unless expressly forbidden by the author, prohibition being effective if it is made in a general manner at the beginning of each number of the periodical.

In the United States the benefit of copyright has been extended to English authors as to their own citizens by the Act of 1891, provided that the book is printed from type set within the limits of the United States, or from plates made therefrom.

---

The Act of 1842 is still unsatisfactory with regard to the points of copyright in periodicals and abridgments. A Copyright Amendment Bill is shortly to be introduced modifying these particular considerations, and in a recent number of the *Author* some of the principal clauses were printed with notes by Sir Walter Besant. The following will be of general interest :—

*Copyright in Periodicals.*

Where any article, essay, poem, or other work is first published in and forms part of a review, magazine, or other periodical, the copyright in such article, essay, or poem, or other work, shall, in the absence of any agreement in writing to the contrary, be the property of the author thereof. Provided that where the author is paid for the writing of such work as aforesaid by or on behalf of the owner of the review, magazine, or other periodical, then :—

- (i.) The owner of the review, magazine, or periodical shall, during the subsistence of copyright in such

article, essay, poem, or other work, have the sole right of publishing the same as part of the review, magazine, or periodical, but not otherwise.

- (ii.) Neither the author nor his assigns shall print or publish such article, essay, poem, or other work in any form until after the expiration of three years from its first publication in the review, magazine, or periodical, and any printing or publication contrary to this provision shall be an infringement of the rights of the owner of the review, magazine, or periodical.

The author of any such article, essay, poem, or other work as aforesaid, or his assigns, may, either before or after the expiration of the said term of three years, register the same at Stationers' Hall as a separate work, and shall thereupon be entitled to restrain and obtain damages for any infringement of the copyright therein as a separate work.

- (i.) The owner of a review, magazine, or other periodical may register the same at Stationers' Hall, and shall thereupon be entitled to restrain and obtain damages for any infringement of his rights in the same or any part thereof.
- (iii.) It shall be necessary to register only the first number, volume, or part of a review, magazine, or other periodical published in numbers, volumes, or parts.

*Abridgments.*

- (i.) It shall be an infringement of the copyright in a book if any person shall without the consent of the owner of the copyright print or otherwise multiply or cause to be printed or otherwise multiplied any abridgment of such book, or shall export or import any abridgment so unlawfully printed, or shall sell, publish, or expose for sale or hire, or cause to be sold, published, or exposed for sale or hire, any abridgment, knowing or having reasonable grounds to suspect that the same has been so unlawfully printed or imported.
- (ii.) Where the author of a book has sold the copyright thereof in consideration (whether wholly or in part) of a royalty, or a share of the profits to be derived from the publication thereof, or is otherwise notwithstanding such sale possessed of a pecuniary interest therein, such book shall not, during the continuance of the copyright therein and so long as the author shall be entitled to such royalty, share of profits, or shall be so interested as aforesaid, be abridged by the purchaser of such copyright without the consent in writing of the author or his assigns.
- (iii.) If the owner of the copyright in a book to the abridgment whereof the consent of the author is not

required under the preceding proviso, intends to publish an abridgment thereof made by some person other than the author of the original book, he shall give notice of such intention to the author, if living, by registered letter directed to his best known address, and shall, if so required by such author, either state or cause to be stated on the title-page of each part or volume of the abridgment that the abridgment is not by the author of the original book, or shall in like manner state or cause to be stated the name of the maker of the abridgment.



PART IV.

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MAGAZINE ACCOUNTS



## PART IV.

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### MAGAZINE ACCOUNTS, INVOLVING THE CONSIDERATION OF MACHINERY AND WAGES.

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MANY firms of publishers are at the same time printers, and keep up a plant and staff for the production of a magazine, a book issued in parts, and perhaps a few small books or *brochures*. Hence, further accounts become necessary for the adequate treatment of such details, varying in complexity according as the work undertaken is limited to inside requirements, or extended to include orders from outsiders. For the purposes of the present handbook it will, however, suffice to indicate briefly the treatment of accounts entailed in connection with the production of a magazine or periodical, and the application of this to a more extended area will be easily conceived by the reader who has followed the foregoing explanation with due care.

Primarily, the question is the profit or loss made in connection with the magazine, and the Magazine Account is therefore treated in precisely the same way as the ordinary Profit

and Loss Account. The new elements introduced are those of Machinery, Wages, Type, and Incidental Expenses Accounts. The printing is no longer covered by one comprehensive item, but has to be dissected into details. Hence it will present somewhat the following appearance:—

<i>Dr.</i>				MAGAZINE ACCOUNT.				<i>Cr.</i>			
				£ s d				£ s d			
<i>Editing</i> ..	..	..	..					Subscriptions ..	..	..	
<i>Contributions</i> ..	..	..	..					Cash Sales ..	..	..	
<i>Paper</i> ..	..	..	..					Credit Sales ..	..	..	
<i>Printing—</i>								Advertisements ..	..	..	
Rent of standing matter, .. pp.								Returns ..	..	..	
Composition .. hrs .. charge								Copyright ..	..	..	
Corrections .. hrs .. charge											
Alterations .. hrs .. charge											
Pressmen .. hrs .. charge											
Folding .. hrs .. charge											
Sewing .. hrs .. charge											
<i>Charge for Machinery and Type</i>											
<i>Incidental Expenses</i> ..	..	..	..								
<i>Advertising</i> ..	..	..	..								

Dealing with the items in the order in which they occur, the charges for editing and contribution are debited to magazine, the editor and respective contributors being credited.

Paper is either credited to Paper Account or to the Paper-maker's Account, according to arrangement. If a stock of paper is kept a Paper Account is opened, debited with quantity bought and credited as used. The printing splits up into the rent charge for standing matter, *i.e.*, the consideration payable in respect of type already set up, and which will

be of future use; the time occupied by the compositors and pressmen in composing and machining the remaining matter, whether it be actual copy, advertisements, or insets. Then there are the wages of women for folding and sewing. A statement showing the above details is generally made out by the foreman, a specimen of which is given herewith:—

Overseer's date ready for publication.....	No.....	Date.....				Prev. Date				£ s d			
	Description												
	Proof.....					Copies.....							
	Quantity.....					Size.....							
		Rms.	Qrs.	Shts.									
	Stock No....	.... : .... : .... at .....								No.			
	COMPOSITOR.....												
	Qy. Standing.....					Hours.....				Charge			
	Corrections ....	hours.				Alterations ....				hours			
Pressman.....					Date.....								
RULING..	.	..	..	..	..	..	..	..	..	..	..		
Folding ..	..	..	..	..	..	..	..	..	..	..	..		
Sewing or Stitching	..	..	..	..	..	..	..	..	..	..	..		

The Wages Account is debited with the cash actually paid in respect of services, and the amount due to the production of the magazine (or any other work) is transferred through Journal to the debit of Magazine Account.

As a certain amount of wear and tear takes place with regard to machinery and type, it is the usual custom to credit both Machinery and Type Accounts with a certain item which is, in turn, charged against the cost of magazine. Where other work is also executed, as, for instance, outside orders, the remainder of the charge for depreciation would be charged to the general Profit and Loss Account.

The gross amount received for subscriptions is credited to the magazine. The periods and amounts of individual subscriptions are recorded in a Subscription Book, ruled to mark the issue of each part and the lapse of each subscription. Advertisements are treated in the same way.

Where payments are made for contributions and no other agreement exists to the contrary, the copyright of such contribution becomes the property of the publisher. It is then a question whether one or a series of articles is likely to be of any permanent value—that is to say, whether any likelihood exists of it being reproduced in book form or sold.

When such is probable, a valuation is made of the copyright and the amount debited to a Magazine Copyright Account, the Magazine Account being credited, because it is a property and an asset, and, consequently, should not be absorbed by the Working Account.

A Magazine Goodwill Account is perfectly justifiable, provided that the valuation is based upon strictly marketable principles, *i.e.*, the probable sum that would be realised were a compulsory sale rendered necessary. Such an account should be kept quite distinct from an ordinary business Goodwill Account where one exists.

Sufficient has been said in the foregoing part of the book to explain adequately the treatment of the remaining items.

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## OUTLINE AGREEMENTS.

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### AGREEMENT FOR SALE OF COPYRIGHT IN A WORK.

---

1. The said A.B. agrees to write and edit a work to be entitled ———, to prepare the same for press by — day of ———, to correct the proof sheets, and to sell and assign all his copyright and interest in the said work to the said ———, their executors, administrators and assigns, for the sum of £——.

2. The said ——— for themselves, their executors, administrators and assigns, agree to print and publish and bear all the charges of printing and publishing the said work,

and to pay the said ——— for his copyright and interest in the said work the sum of £——.

3. The said ——— to have —— copies of the work free of charge.

---

HALF-PROFIT AGREEMENT BETWEEN AUTHOR AND PUBLISHER.

---

1. The said ——— shall, at his own expense and risk, print and publish a work entitled ———, and after deducting from the produce of the sale thereof the charges for printing, paper, advertisements, illustrations, and other incidental expenses, including the allowance of —— % on the gross amount of the sale for commission and risk of bad debts, the profits remaining of every edition that shall be printed shall be divided into two equal parts, one moiety to be paid to the said ———, and the other moiety to be retained by ———.

2. The books sold shall be accounted for at the trade sale price, reckoning 25 copies as 24, unless it be thought advisable to dispose of any copies or of the remainder at a lower price, which shall be left to the judgment of the said ———.

COMMISSION AGREEMENT.

---

The said A.B. (author) doth hereby agree with the said C.D. (publisher) that the said C.D. shall be the sole publisher of the work at a commission of — per cent. on the sales, reckoned at the wholesale bookseller's price. And that the said author will within — days hereafter deliver the MSS. of such work; and that the said author shall defray all expenses of printing, paper, binding and advertising, subject to a commission on the part of the publisher of — per cent. And it is hereby agreed that it shall be lawful for the said publisher out of the profits and proceeds of the work to deduct the expenses of paper, printing, advertising, publishing and commission at the rate aforesaid, and subject to such payments the said publisher shall pay the remainder of the profits and proceeds to the said author. And that the said publisher shall render a faithful account of the sales to the said author on the — day of — and — day of — in every year.

ROYALTY AGREEMENT.

---

The said author agrees to write a work to be entitled —, to prepare the same for press by —, to revise and correct all proof sheets of said work.

The said publisher agrees to print and publish the said work at his own expense and risk, and to pay all charges connected

with advertising and incidental expenses, and in consideration for the privilege of so publishing — edition(s) of the said work, shall pay to the said author a royalty of — per copy

The said publisher shall render a faithful account of the sales to the said author on the — day of — and the — day of — in every year.

---

*Electros.*

The process blocks used for producing illustrations in books and magazines are sometimes sufficiently numerous to necessitate the use of a special book. The electros are sometimes retained at the printers and sometimes at the publishers, and it, moreover, frequently arises that they are lent or hired out. Hence the Electro Book is ruled to show these particulars, as under:—

ELECTRO BOOK.

Number or Description	Printers	Lent or Hired	Particulars
4864	Butler & Tanner 27/6/96	Griffith, Farran & Co., Ltd. 28/6/96	Lent
4865			
Frontispiece to <i>Adam Bede</i>	Clowes & Son 29/6/96		
<i>At the Fountain</i> , hired from Messrs. Nops	Wymans 30/6/96		

Where the blocks have been hired from an agency or lent by another publisher, these particulars would also be recorded. A similar book is used for lithograph stones.

*Stereos.*

The plates, whether stereos or electros, and moulds, in time assume very bulky proportions, and, as a rule, are retained at the printers, especially when there is any likelihood of a reprint being required within a short period. Hence, a small book is usually kept to show where the plates of any particular volume are.

Stereos that are worn out or which, for other reasons, have become valueless, are of value as old metal, and, as such, realise about 2d. per pound.

---

*A List of the Particular Assets of a Publisher.*

Copyrights and Rights in Particular Editions.

Artists' Original Drawings.

First Editions and Library of the Firm's Past and Present Publications.

Bound Stock.

Sheet Stock.

Wrappers.

Illustrations and Maps.

Binding Cases.

Stereos and Electros.

Moulds.

Old Stereos and Electros (old metal).

Lithograph Stones of Maps or Illustrations.

Paper in Stock or at Printer's.

Books in Progress.

Binding Blocks.

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